



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
263rd MEETING OF THE BOARD OF DIRECTORS
Thursday, April 2, 2020
9:30 a.m.
(via Microsoft teams)
202-753-6714 Conf. ID 266 288 443#**

- I. **Call to Order (Chairman Tommy Wells)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of March 5, 2020 Meeting Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. [Environmental Quality and Operations Committee](#) (Howard Gibbs)
 2. [Governance Committee](#) (Ellen Boardman)
 3. [Finance and Budget Committee](#) (Major Riddick)
- VI. **Issues of General Interest**
- VII. **[CEO/General Manager's Report](#) (David Gadis)**
- VIII. **[Contract Summary](#) (FYI)**
- IX. **Consent Items (Joint Use)**
 1. [Approval to Execute Contract No. 20-PR-WWT-32, Blue Drop, LLC – Resolution No. 20-19](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
 2. [Approval to Exercise Option Year One \(1\) of Contract No. 19-PR-DWT-14, Polydyne, Inc. – Resolution No. 20-20](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
 3. [Approval to Exercise Option Year One \(1\) of Contract No. 29-PR-DWT-15, Polydyne, Inc. – Resolution No. 20-21](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)

4. [Approval to Exercise Option Year Two \(2\) of Contract No. 18-PR-DWT-13, PVS Chemical Solutions, Inc. – Resolution No. 20-22](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
5. [Approval to Exercise Option Year One \(1\) thru Four \(4\) of Contract No. 18-PR-DFM-18, Parts Authority Southern, LLC – Resolution No. 20-23](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
6. [Approval to Execute a Lease Amendment for Contract No. 20PRDET35, BREIT Industrial Canyon MD1W01 LLC – Resolution No. 20-24](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
7. [Approval to Execute Change Order No. 14 of Contract No. 150030, American Contracting & Environmental Services, Inc. – Resolution No. 20-25](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
8. [Approval to Exercise Option Year Three \(3\) of Contract No. 17-PR-DIT-06A,C,G,H,J,K,L,M, Advance Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sankar Inc., Vigilant Technologies, LLC, v-Tech Solution, Inc. – Resolution No. 20-26](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
9. [Approval to Exercise Option Year Four \(4\) of Contract No. 15-PR-DMS-54, Reading Crane & Engineering - Resolution No. 20-27](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
10. [Approval to Exercise Option Year Two \(2\) through Option Year Four \(4\) of Contract No. 18-PR-CFO-19, Albert Risk Management Consulting Group – Resolution No. 20-28](#) (Recommended by the Finance and Budget Committee 03/26/20)
11. [Approval to Exercise Option Year One \(1\) through Option Year Nine \(9\) of Contract No. 18-PR-CFO-56, Oracle America, Inc. – Resolution No. 20-29](#) (Recommended by the Finance and Budget Committee 03/26/20)
12. [Approval of Amendments to the By-Laws of the District Columbia Water and Sewer Authority to Transfer Customer Service Matters from Environmental Quality and Operations Committee to District of Columbia Retail Water and Sewer Rates Committee – Resolution No. 20-30](#) (Recommended by the Governance Committee 03/20/20)

X. Consent Items (Non-Joint Use)

1. [Approval to Exercise Option Year One \(1\) and Two\(2\) of Contract No. 19-PR-DSS-01, Ganntek, Inc. – Resolution No. 20-31](#) (Recommended by the Environmental Quality and Operations Committee 03/19/20)
2. [Authorizing and Approving the Execution and Delivery of Documents Relating to the Delivery of Substitute Letters of Credit Associated with the Commercial Paper Notes – Resolution No. 20-32](#) (Recommended by the Finance and Budget Committee 03/26/20)
3. [Approval of the Extension of the Credit Facility for the Series 2014B Subordinate Bonds – Resolution No. 20-33](#) (Recommended by the Finance and Budget Committee 03/26/20)
4. [Approval to Execute Contract No. 20-PR-CFO-29, TD Bank, N.A. – Resolution No. 20-34](#) (Recommended by the Finance and Budget Committee 03/26/20)
5. [Approval to Renew the Bank Credit Facility Supporting 2014-B and 2014B-2 Bonds, TD Bank, N.A. – Resolution No. 20-35](#) (Recommended by the Finance and Budget Committee 03/26/20)

XI. Executive Session

XII. Adjournment (Chairman Tommy Wells)

1 The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Upcoming Committee Meetings – (via Microsoft Teams)

- Environmental Quality and Operations Committee – Thursday, April 16, 2020 @ 9:30 a.m.
- Audit Committee – Thursday, April 23, 2020 @9:30 a.m.
- Finance and Budget Committee – Thursday, April 23, 2020 @ 11:00 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, April 28, 2020 @ 9:30 a.m.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Meeting**

Thursday, March 19, 2020

9:30 a.m.

MEETING SUMMARY

Committee Members

Howard Gibbs, Vice Chair
Randy Bartlett
Steven Shofar
Tommy Wells
Ivan Frishberg
David Franco

DC Water Staff Present

David Gadis, CEO/General Manager
Matthew Brown, EVP Finance & Procurement
Leonard Benson, Sr. VP CIP Project Delivery
Linda Manley, Board Secretary
Marc Battle, EVP Legal Affairs

I. CALL TO ORDER

Mr. Gibbs called the meeting to order at 9:30 a.m. The meeting was conducted via teleconference.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Vice President, Wastewater Operations, DC Water, updated the Committee on the performance of the Blue Plains Advanced Wastewater Treatment Plant (by exception). Mr. Tesfaye stated that all performance parameters were excellent and all permit requirements were met. Mr. Tesfaye also provided a briefing on operations and maintenance costs for the Wet Weather Treatment facility.

III. ACTION ITEMS

The Committee reviewed and recommended nine joint use and three non-joint use contracts listed below for Board approval.

JOINT USE

1. Contract No.: 15-PR-DMS-54 – Crane/Hoist Repair & Maintenance, Reading Crane & Engineering

2. Contract No.: 17-PR-DIT-06 A, C, G, H, J, K, L, M – IT Professional Services, Advance Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sankar Inc., Vigilant Technologies, LLC., v-Tech Solution, Inc.
3. Contract No.: 18-PR-DFM-18 – Utility Fleet Parts Supply, Parts Authority Southern
4. Contract No.: 19-PR-DWT-13 – Supply and Delivery of Sodium Bisulfite, PVS Chemical Solutions
5. Contract No.: 19-PR-DWT-14 – Belt Press Dewatering Polymer, Polydyne, Inc.
6. Contract No.: 19-PR-DWT-15 – Centrifuge Pre-Dewatering Polymer, Polydyne Inc.,
7. Contract No.: 20-PR-WWT-32 – Bloom Sales and Marketing, Blue Drop

The Committee inquired if the projected savings would result from Blue Drop selling direct to farmers. Mr. Chris Peot, Director of Resource Recovery, DC Water, replied in the affirmative. He stated that DC Water is now making full use of its distribution permits. The Committee also inquired if the resulting savings would be realized by DC Water's partner jurisdictions as well. Mr. Peot replied in the affirmative.

8. Contract No.: 20-PR-DET-35 – Extension of Commercial Lease for Warehouse Space

The Committee inquired as to why DC Water is storing these samples. Mr. Benson replied they are stored to have them available as background and evidence purposes in case of future claims or suits. The Committee also inquired how often and how long these samples are stored. Mr. Benson replied borings are taken every 500 feet and stored for a minimum of up to 3 years after claims release. The Committee suggested DC Water consider the possibility of renegotiating a lower lease amount for the upcoming option years given that asset values in the District appear to be decreasing. Mr. Benson replied that DC Water will consider the suggestion.

9. Contract No.: 150030 – Raw Wastewater Pump Station 2 Upgrades, American Contracting & Environment Services, Inc.

NON-JOINT USE

1. Contract No.: 19-PR-DSS-01 – Hauling & Disposal of Excavation Spoils & Debris Ganntek
2. Contract No.: 170040 – Storm Diameter Water Main Replacement 13D, Sagres Construction Corporation
3. Memorandum of Understanding Agreement – Rehabilitation of the Kenilworth Stormwater Pumping Station; this Action Item was added to the agenda at the meeting

IV. ASSET MANAGEMENT AND SCADA IMPROVEMENTS

Mrs. Mandy LeBlanc, Manager, Program Management, DC Water, and Ms. Karen Green, Manager (acting), SCADA and PCS Operations, within the Department of Pumping Operations DC Water briefed the Committee on the Authority's Asset Management & SCADA Improvement efforts in the Department of Pumping Operations.

Mrs. LeBlanc started the briefing by defining Reliability Centered Maintenance (RCM) as being a systematic and structured approach to develop effective maintenance plan for an asset that minimizes the probability of failures while ensuring safety and mission compliance. She stated that DC Water had chosen the 'Classical' RCM process to conduct a pilot study based on four (4) RCM principles, namely,

- Preserve system function
- Identifying how functions are defeated
- Identifying priorities, and
- For high critical failure modes, defining applicable tasks and selecting the most effective one

Mrs. LeBlanc informed the Committee of seven (7) system analysis steps undertaken and the results for the pilot project.

Ms. Green next briefed the Committee on DC Water's SCADA improvement efforts. Ms. Green began by stating that the Department of Pumping Operations (DPO) in collaboration with Department of Engineering & Technical Services (DETS) had created the following SCADA standards:

- Programmable Logic Controllers (PLC) hardware
- OIT hardware
- PLC programming standards
- Graphical standards using High Performance/ Situational Awareness concepts
- Alarm prioritization and management

To date, these standards have been implemented for 5 sewer pump stations, sewer and water overview pages, fabridam sites and existing storm water pump stations. Expected completion is mid-2021.

Ms. Green provided the Committee with updates to the SCADA system:

- Design of new SCADA PLC and Human Machine Interface (HMI) programming standards
- Worked with procurement to outsource additional system integrators to work with our team in order to implement standards
- Collaborated with DETS to review control strategies and standard operating procedures (SOPs)

In conclusion, Ms. Green stated that putting the team together and focusing on RCM has yielded positive results and increased the productivity and sense of teamwork in the group.

V. EXECUTIVE SESSION

None.

VI. ADJOURNMENT

Meeting was adjourned at 10:43 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Governance Committee

Friday, March 20, 2020

9:00 a.m.

MEETING MINUTES

Committee Members

Ellen O. Boardman, Chairperson (by phone)
Rachna Bhatt (by phone)
Ivan Frishberg (by phone)
Emile C. Thompson (by phone)
Tommy Wells, Chairperson, DC Water
Board of Directors (by phone)
Lavinia Baxter, (by phone)

DC Water Staff

David L. Gadis, CEO/General Manager
(by phone)
Marc Battle, Executive Vice President
and General Counsel, Office of Legal
Affairs (by phone)
Gregory Hope, Associate General
Counsel (by phone)
Korey Gray, Compliance (HQO
Boardroom)
Linda Manley, Board Secretary (by
phone)

Call to Order

Chairperson Boardman called the meeting to order at 9:00 a.m.

Agenda Item #1 – DC Water Works! FY 2019 Annual Report

Korey Gray, DC Water’s Compliance Officer, presented Agenda Item #1 – DC Water Works (Water Works) FY 2019 Annual Review.

Overview

Mr. Gray began by reviewing the two program goals for which Water Works was established: 1) 51% of DC Water’s total contractor workforce will be local residents, and 2) 60% of those new opportunities created through procurements and contracts would be filled by local residents.

Mr. Gray reported that, between October 1, 2018 and September 30, 2019, one-hundred and three (103) new DC Water contractor positions were filled. Of these, forty-two (42)

were sourced through Water Works' referral process, and sixty-one (61) were filled directly by contractors. Ninety-two (92) of those positions were filled by residents of the User Jurisdiction, of whom sixty-four (64) were DC residents. Eleven (11) positions were filled by residents outside of the User Jurisdiction.

Mr. Gray next provided an update on the types of contractor positions filled. Of the one-hundred and three (103) new DC Water contractor positions:

- Twenty-nine (29) were general laborer positions and thirteen (13) of these were filled by DC residents;
- Nineteen (19) were skilled and technical positions (i.e. engineering) and six (6) of these were filled by DC residents;
- Thirty-three (33) were special projects (skilled training program) and thirty-two (32) of these were filled by DC residents; and
- Twenty-two (22) were goods and services positions (janitorial) and thirteen (13) of these were filled by DC residents.

Mr. Gray next provided an update on the new hires by Ward, targeting hard to place District residents. Of the sixty-seven (67) positions filled by residents of District, thirty-two (32) were filled by residents of Ward 7 and 8. He explained that the Water Works provides opportunities for all District residents, with a focus on hiring residents of Ward 7 and 8.

Mr. Gray next provided an update on the kind of work the strategic partners are doing. He reported that DC Water works with five (5) strategic partners. Thirty-nine (39) individuals were referred for placement on a DC Water project or training program by these partners. Of these, two (2) were referred by Clean and Sober, sixteen (16) were referred by Constituent Services Worldwide, seven (7) were referred by District Department of Employment Services, one was referred by Department of Public Works, and seven (7) were referred by the University of the District of Columbia.

Follow Up Items

- 1) In follow-up to the Board's requests at the September 12, 2018 Governance Committee meeting, to provide an update to the kind of work the strategic partners are doing, Mr. Gray reported that he works with twenty-one (21) strategic partners, of which nine (9) have referred fifty-two (52) participants through the Green Infrastructure training program at the University of the District of Columbia and the Department of Employment Services.

In response to Chairperson Boardman's question regarding the referral process, Mr. Gray responded that in most cases, referrals are provided through the strategic partners, with a smaller group, nine (9), through recruitment sites at DC infrastructure Academy and DC Water's Blue Plains Advanced Wastewater Treatment Plant.

CDL Training Program

Mr. Gray next provided an update on the Commercial Driver's License (CDL) Training Program. Mr. Gray explained that participants of the program are trained by DC Water's Fleet Management team to receive a Class A CDL. He reviewed the program goals: 1) 80% will graduate and 50% will be placed in jobs, and 2) 60% of those new opportunities created through procurements and contracts would be filled by local residents.

Mr. Gray reported that the program began with nine (9) participants enrolled and all nine (9) successfully completed the program. Of these eight (8) are now employed, including two (2) that are employed as DC Water apprentices.

In response to Chairperson Boardman's inquiry regarding causes of an individual's inability to complete the program, Mr. Gray explained that when Water Works was implemented, he experienced a combination of issues that caused program completion numbers to be low, including one (1) individual being removed for disciplinary actions, one (1) failed to pass a drug screening, and the program only offered Class B CDL training which excluded majority of the participants because a majority of DC Water contractor jobs require a Class A CDL.

In response to Chairperson Boardman's inquiry regarding the second and next cohorts, Mr. Gray explained that Water Works holds one (1) cohort per year, the first was held in FY'17. Since that time, the Class B training was converted to Class A CDL training for cohort two (2), cohort three (3) was held in FY'19, and a fourth cohort will be launched later in FY'20.

Department of Facilities Training Program

Mr. Gray also provided an update on the Department of Facilities Training Program, which initially began as a summer program, and has since expanded to a six (6) month training program. He explained that the program is subsidized by the District through the LEAP (Learn, Earn, Achieve and Prosper) Program and Project Empowerment, and provides DC residents with training in various facilities trades (e.g., CPR, OSHA 10, conflict resolution, and refrigerant and recovery).

He explained that the Department of Facility Training Program accepted three (3) participants working in Buildings and Grounds and Facilities Management, and provides soft-skills training, including conflict resolution, workplace safety and job readiness. Of these participants, all three (3) completed the program and were employed, and two (2) remain employed as apprentices.

Green Infrastructure Initiative

Mr. Gray next provided an update on Water Works Green Infrastructure (GI) Initiative. Mr. Gray began by reviewing the program goal: 51% of new jobs would be filled by District residents.

He reported that in FY'19 there were two (2) cohorts, with thirty-three (33) participants enrolled. Of these, nineteen (19) graduated, eighteen (18) are employed, nine (9) specifically work on GI projects with DCW contractors, three (3) work with other contractors on non-GI related projects, and six (6) were placed with contractors outside of DC Water's contractor network, including DC Parks and Recreation.

In response to Committee Member Thompson's inquiry regarding the causes of the low graduation rates in cohort seven (7) and eight (8) and how those issues are mitigated, Mr. Gray responded that inherent challenges with training and placement of these individuals contributes to lower graduation rates. He explained that additional changes will be implemented in pre-screening individuals and in the soft-skills training program in an effort to increase opportunities for employment of those individuals. He added that in cases where an individual does not graduate from the GI segment, they will still be considered for other work and opportunities in the Water Works Program.

DC Water Apprenticeship Program

Mr. Gray next discussed a new apprenticeship program implemented in October 2018 and commenced in September 2019.

He reported that in FY '19 there were fourteen (14) participants enrolled. Of these, six (6) in Wastewater, and two (2) each in HVAC, Plumbing, and Fleet's Quality Assurance. He explained that each apprenticeship was designed for entry at the journeyman level for that position or trade, and the length varies: four (4) years for HVAC and Plumbing, five (5) years for Quality Assurance, two (2) years for Utility Services, and three (3) for Wastewater.

In response to Committee member Bhatt's inquiry regarding DC Water's consideration for expanding the apprenticeship program to create a revenue stream, Mr. Gray responded that he would discuss the opportunity with DC Water's General Manager David Gaddis and Executive Vice President and General Counsel, Marc Battle, to determine the feasibility.

Senior Community Service Program

Mr. Gray next discussed Water Works newest initiative, the Senior Community Service Program, where the District recommends seniors looking to reenter the workforce and apply for part-time work. The program currently has two (2) participants working part-time (twenty (20) hours per week), one (1) as a Data Analyst in the DC Water's Materials Management Department, and the other as a Procurement Analyst in Procurement.

Follow Up Items

- 1) In follow-up to Committee Member Franco's request for a complete 3-year review of the program, Mr. Gray reported that between FY'17 and FY'19, DC Water has

placed a total of three-hundred (300) individuals through the Water Works Program. Of these, 90% are from the User Jurisdiction and 70% are District residents. He explained that a decrease in the total number of projects, contributed to a decline in the total number of participants from one-hundred and twenty-five (125) in its first year.

Mr. Gray explained, now that Water Works has been operational for several years, it will increase its goals in FY'20 and FY'21 to: 1) 60% of DC Water's total contractor workforce will be local residents, and 2) 75% of those new opportunities created through procurements and contracts would be filled by local residents.

Finally, Mr. Gray discussed Water Works activities, which include two (2) job fairs and targeted employment events, resulting in four (4) individuals directly hired at those events.

Agenda Item #2 – Proposed Changes to Business Development Plan

Before Mr. Gray continued his discussion on the proposed changes to the Business Development Plan, Mr. Gray provided a recap of the information discussed at the January 8, 2020 Governance Committee meeting.

Mr. Gray noted that the plan is to be reviewed every two (2) years and the proposed changes aligned with the recommendations from the internal audit conducted in 2018, to include conforming to changes implemented in the EPA program.

Mr. Gray also noted that DC Water participated in several meetings with certified firms that are not currently working with DC Water. The firms raised concerns that DC Water did not provide the disadvantaged local and small firms enough or greater opportunities for consideration on projects.

Mr. Gray noted the proposed changes to the local small businesses enterprise (LSBE) program include:

1. Language added to encourage certified firm participation on micro purchases and simplified acquisitions.
2. Language added to apply preference points on procurements up to \$1Million.

Next, Mr. Gray noted the proposed changes to the EPA Fair Share objectives program, which include:

1. DC Water will limit the use of Fair Share language on projects that are funded by the EPA, and are listed in consideration for funding; the language will be excluded from those projects that will not be funded.
2. DC Water will fully align its program with the EPA, to support socially economic and disadvantaged firms.

Mr. Gray also noted the proposed administrative change to the reporting requirement to the EPA from quarterly to annually.

In response to Chairperson Boardman's inquiry regarding race versus gender based classification and authorization to target specifically to women-owned small businesses, Mr. Gray explained that DC Water is authorized to offer the program to women-owned small businesses.

Next, Mr. Gray discussed the following proposed changes to the Business Development Plan regarding a new DC Water program for non-federally funded procurements to support the Disadvantaged Business Enterprise/Women Business Enterprise (DBE/WBE) Program for non-federally funded procurements. These changes include: 1) proposed changes to the certifications that would be recognized; 2) proposed changes to the rules to encourage certified firm participation; and 3) proposed changes to certified firm participation.

Mr. Gray explained the new program is modeled after the U.S. Department of Transportation' (US DOT) Disadvantaged Business Enterprise Program.

In response to Committee Member Bhatt's inquiry regarding modeling DC Water's program, which supports local certified firms, after the US DOT program, Mr. Gray explained that the structure of the US DOT program supports DC Water's program, in particular the rules for counting the CBE certification.

In response to Committee Member Bhatt's inquiry, Mr. Gray explained that the difference between the local and federal program is counting the certification and the classification of codes used by these firms to be considered for projects specific to certain areas or industries like water and sewer projects.

Next, Mr. Gray provided an overview of the specific elements of the proposed new program. These elements include: 1) recognizing certifications under the EPA Fair Share Objectives; 2) DC Water would set overall DBE goals every three (3) years to be approved by DC Water's Board of Directors; 3) DC Water would set project specific goals; 4) mandatory commercially useful function performance for firms to be recognized as certified; 5) good faith efforts would include engagement between bidding primes and certified firms; and 6) robust monitoring and reporting.

In response to Committee Member Bhatt's inquiry regarding good faith efforts requirements within the procurement schedule, Mr. Gray responded that the procurement process expanded the number of days that procurements were solicited from thirty (30) to sixty (60) days and contractors can be recognized for their efforts and outreach activities, including mentor-protégée relationships.

Next, Mr. Gray provided an overview of the recognized certifications of the proposed new program. These certifications include: 1) any US DOT DBE certification, 2) the Small Business Administration's 8(a) certification, 3) WBE certification, and 4) the District of Columbia's local disadvantaged business enterprise certification.

Next, Mr. Gray discussed the relationship between the three-year and project specific goal setting process. He explained that an Availability Analysis would be conducted to determine available jobs and the certified firms that would qualify for those jobs. He further explained that at the end of the study, DC Water would monitor achievements against both goal targets.

Next, Mr. Gray described that firm certifications are counted by North American Industry Classification System (NAICS) and National Institute of Governmental Purchasing (NIGP) codes to determine their ability to do the work they are subcontracted to perform and manage, rather than just proving they are socially and economically disadvantaged or women small owned certified firms.

In response to Chairperson Boardman's inquiry to clarify number five (5) under "Negotiations, Mr. Gray explained that firms cannot be rejected solely based on their political "affiliations" or "standing" with another agency on a prior project.

In response to Chairperson Boardman's inquiry regarding the responsibility for the review process, Mr. Gray responded that the Compliance Team would take the lead with the support of the General Manager, the Office of Legal Affairs, Procurement and Engineering departments.

Next, Mr. Gray discussed the proposed change to the process for primes to replace certified firms. He explained changes must be approved by the Compliance team, after primes have provided a rationale for their request and demonstrated their continued good faith efforts.

In response to Chairperson Boardman's inquiry regarding a prime deemed non-compliant in their good faith efforts, Mr. Gray responded that these issues are now reviewed by the Compliance team and referred to the Office of Legal Affairs and the General Manager's Office if deemed necessary. He explained that actions taken may include withholding payments up to suspension and debarment for consideration of future bids.

Next, Mr. Gray reviewed the monitoring and oversight process, including good faith efforts by primes to bring on certified firms and provide access to opportunities; review by assigned Compliance Officers of certified firm goals, certification, invoicing and payment history; and review of subcontractor progress forms submitted every six (6) months to review job performance.

Next, Mr. Gray proposed administrative changes to the outreach and capacity building to the DBE/WBE program to include:

1. Language added to shift outreach to certified firms to its own section within the Business Development Plan.
2. Language added to reflect current or future practices to include advertising its procurement forecasts in the District's Green Book.

3. Language added to include the development of mentor-protégé program standards.

General

At the conclusion of Mr. Gray's presentation, Chairperson Boardman made clear that, at this stage, Mr. Gray's presentation was intended to be informational only. There will be no request of the Committee to recommend the proposed revisions to the Board at this time. Chairperson Boardman suggested that Committee members review the proposed changes to the Business Development Plan and final proposed changes will be reviewed and discussed at the May Governance Committee meeting, with a possible recommendation to the full Board in June.

Chairperson Boardman thanked Mr. Gray and his team for their efforts and hard work.

Agenda Item #2 – Amendment to DC Water Board By-Laws

Gregory Hope, Associate General Affairs, Office of Legal Affairs, presented Agenda Item #1 – Amendment to DC Water Board of Directors By-Laws.

Overview

Mr. Hope explained that the Executive Committee is recommending a Bylaws' amendment changing the scope of duties for the DC Retail Water and Sewer Rates Committee and the Environmental Quality and Operations Committee. Specifically, the proposed amendment would transfer matters concerning customer service, education and customer assistance issues to the DC Retail Water and Sewer Rates Committee from the EQ & Ops Committee. The Executive Committee reviewed the various historical changes with customer service and determined the need to create one committee to solely focus on customer service related issues, the DC Retail Water and Sewer Rates Committee. Other issues addressed included wholesale customers and the consideration is those issues which are more operational could be best handled by the Environmental Quality and Operations Committee.

Mr. Hope concluded his presentation with a recommendation to amend Article V, Section 5.01 of the By-Laws to transfer the matters concerning customer service to the DC Retail Water and Sewer Rates Committee. He explained that the revisions to the By-Laws will shift the scope from the Environmental Quality and Operations Committee to the DC Retail Water and Sewer Rates Committee, to include customer service issues, including but not limited to customer education initiatives and customer assistance programs.

Both Chairperson Rachna Bhatt of the DC Retail Water and Sewer Rates Committee and Chairperson Adam Ortiz of the Environmental Quality and Operations Committee have agreed with this proposed change.

Recommendation

Chairperson Boardman asked for a consensus from the Committee Members to move the proposed By-Laws amendments to the full Board for approval at the April 2nd meeting. The Committee members agreed.

Adjournment

There being no further business, the meeting was adjourned at approximately 10:21 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, March 26, 2020

11:05 a.m.

MEETING MINUTES

Committee Members

Major Riddick, Chairperson
Anthony Giancola
Krystal Brumfield
David Franco
Adriana Hochberg
Sarah Motsch
Tommy Wells, Board Chair

DC Water Staff

David Gadis, CEO and General Manager
Matthew T. Brown, CFO & Executive Vice
President, Finance and Procurement
Marc Battle, EVP, Legal Affairs
Lola Oyeyemi, Director, Budget
Francis Cooper, Director, Enterprise Program
Management Office
Korey Gray, Director Cultural Transformation
Joel Grosser, Director, Procurement
Linda Manley, Secretary to the Board

Other Presenters and Guest

Nelson Bush, Public Financial Management
Eric Brown, Public Financial Management
Dan Hartman, Public Financial Management

Call to Order

Mr. Major Riddick, Chairperson, called the meeting to order at 11:05 a.m.

February 2020 Financial Report

Mr. Matthew T. Brown, CFO & Executive Vice President, Finance and Procurement provided a brief overview of the impact of the COVID-19 on DC Water's operations as part of the Financial Report. He informed the Committee that the Finance staff are working from home and come into the office as necessary to obtain materials. DC Water has created specific job codes to track COVID-19 related expenses, including employee hours, personal protective equipment, and other supplies for cleaning and sanitizing the facilities, in the event reimbursement is allowed.

Mr. Brown reported that the Finance staff are trying to quantify the impact under two scenarios, which is an outlook for a three-month and a six-month impact timeframe. We will not know the full revenue and expenditure impacts for some time since this is an unprecedented situation. We are making every effort to keep operations going and reduce the risk for field staff that must come in to work. He stated that for operational and safety reasons, some staff working in operations have

been broken into A and B shifts. All employees will be paid and made whole whether they are able or allowed to complete their full shift or not.

Next, Mr. Brown informed the Committee of the potential revenue impact and actions currently being undertaken including waiving all late fees for customers and reconnecting disconnected customers who request it. He stated that this is necessary for public health emergency. He noted it is possible that delinquencies will double from about \$1 million to \$2 million monthly and that late fees that generate about \$7 million a year are being waved. He further explained that increases in consumption are expected for residential and multi-family customers of approximately 10 percent. There will also be reduced consumption from the commercial, municipal and federal customers, currently projected at 30 percent. He stated that the preliminary revenue impact for a 3-month pandemic period is approximately \$15 million - \$25 million. Mr. Brown explained that due to conservative budgeting, revenues were ahead of budget by \$8 million through February 2020 and this will help absorb some of these impacts. DC Water will continue to monitor the situation and update these preliminary estimates as more information is known.

Mr. Brown stated that operating expenditures are ahead by \$9.4 million. He mentioned that even with the purchase of some supplies and services to ensure the safety of employees, the costs of responding to COVID-19 have not been significant. Spending is expected to slow down in some areas, with a modest decline in personnel and professional services, in addition to lesser budget pressures in chemicals and electricity than was experienced last year. Mr. Brown mentioned that debt service costs could increase based on the current interest rates on variable debt portfolio and commercial paper program. He anticipates that the projected underspending in operating budget will help to offset the revenue shortfall. At this time, management does not anticipate the need to transfer funds from the Rate Stabilization Fund and will continue to monitor the revenue impact with updates to the Committee during the Summer.

Next, Mr. Brown reported that DC Water has been contacted by Fitch Rating Agency, and expect to be contacted by the other rating agencies. Mr. David Franco inquired if management had an understanding of the impact of what would cause a downgrade to DC Water's rating with Fitch and others, and is there a risk due to the planned refunding. Mr. Brown responded that DC Water provides an essential service to the public, and we anticipate a modest decrease in revenue, and that we do not expect a downgrade. Mr. Major Riddick, Chairperson, also stated that they have the same concerns and advised the need to protect the AAA rating with the possibility of future Bond issuances to maintain strong fund balances in the future. Mr. Brown told the committee that a withdrawal from the Rate Stabilization fund could be recommended depending on the impact of COVID-19 in the current fiscal year or in FY2021.

Ms. Lola Oyeyemi, Director, Budget, provided the monthly financial report by exception, noting as of the end of the fifth month of FY 2020, with approximately 42% of the year completed, DC Water's expenditures and revenues are on track with budgetary expectations and targeted performance metrics. Revenue is slightly ahead by \$8.2 million, or 2.7 percent above budget, operating expenditures at \$17.9 million, or 7.5 percent below budget, and capital disbursements are at \$71 million, or 30.1 percent below budget.

Ms. Oyeyemi reported that the Inter Municipal Agreement (IMA) Operating Settlement is ongoing, with completion expected by March 31, 2020. She also noted that FY 2020 mid-year projections are underway and anticipated for review with the Committee in May 2020. We will continue to report to the Committee regarding continued impacts of COVID as we go along. She informed the

committee that Town Hall meetings are tentatively scheduled in the month of April, and staff is working to determine the best course of action going forward.

Next, Ms. Oyeyemi provided an update on operating revenues. Operating revenue is at \$312 million, and both the federal and wholesale customers have made their quarterly payments. She stated that total operating expenditures are at \$220.3 million, which is consistent with the spending from last year, while the areas of underspending are in personnel and contracts which is also consistent with spending during this time of the year. We do not anticipate impacts to the budget on the chemicals and utilities. With regards to debt service, there were some unanticipated savings due to the refinancing.

The capital disbursements at the end of February 2020 were \$128 million, or \$71 million below the budget. The underspending is mainly due to the delays in closeout of major projects, as well as the time lag for invoice payments. The operating reserve balance, including the Rate Stabilization Fund (RSF), totaled \$270 million at the end of February, excluding the unrestricted and restricted account balances. Other detailed reports are included in the report, such as the Cash Flow report, Operating Revenues, Delinquent Accounts, Overtime Spending, as well as Capital Disbursements.

Investment Program Update

Mr. Nelson Bush, Managing Director, Public Financial Management, provided a market outlook and interest rate update. He then discussed DC Water's portfolios and performance. He began by stating that his presentation shows the United States' economy up through the end of February 2020. Prior to where we are today, the economy had been growing steady for more than ten years and jobs were in a good place. On a macro level, housing was improving and the interest rates were very cooperative. Consumer confidence was very strong. Consumers were investing in themselves by spending on homes, cars, etc.

Unfortunately, COVID-19 impacted the US manufacturing industry. That's where the market began to see declines as early as the third week in January, as COVID-19 affected Asia and Europe. The fixed income markets began to price in this potential impact. The two-year yield began to decline from three percent downward, signaling the market is anticipating turbulence ahead.

As of today, short term yields such as the 30-day or 90-day Treasury Bills are yielding a negative five or negative six basis points. As a result, many investors around the world and the United States have been investing their money in cash over the last six weeks. If you are a new investor, you would experience negative gains. If you were an investor that held on to your fixed securities and had them on your books before interest rates fell, you would have experienced significant market value gains in your government securities portfolios. DC Water experienced some significant market value gains from government securities even as markets declined.

A challenge in the market place now is that investors are pulling their money from other places (various Prime Money Market Funds) and investing in government Money Market Funds. That has caused yield spreads to widen significantly. This is an issue of supply and demand instead of

a credit crisis. Many federal government programs have been announced recently to provide stability and liquidity in the financial market. The Commercial Paper Funding Facility, which the federal government with the backstop from the US Treasury, will buy Commercial Paper Funds. In addition, the Primary Dealer Credit Facility, which the federal government with the backstop from the US Treasury, is going to buy not only commercial paper, but investment grade corporate debt and maybe even Mortgage Backed Securities. The Money Market Liquidity Facility will provide stability for Money Market Mutual Funds. These are a few of the federal government programs recently announced that will help bring back liquidity in the market. Mr. Bush was not sure when the rates will begin to stabilize, so forecasting the recovery is very challenging.

Public Financial Management will be focused on DC Water's primary objectives of safety first, then liquidity, and then yield. Mr. Bush stated the focus now is that as they keep the portfolio safe to provide the necessary liquidity needed in DC Water's portfolio.

Mr. Franco asked how do we forecast our returns on the revenue side of our budgets? How will it impact the returns on the Investment portfolio? Mr. Matthew Brown responded by saying that they do not make up a significant part of our overall revenue. The bigger impact to worry about is the retail revenue from our commercial, municipal, and federal customers.

Mr. Major Riddick made a statement/question regarding the \$2.2 trillion Recovery Fund from the government and he understands the market uncertainty. He wanted some explanation regarding whether one of our next steps is to lower debt and how that may occur. Mr. Brown responded by stating that this topic will be discussed later in the presentation and in a meeting scheduled for next Thursday. Mr. Brown stated that he proposes a private placement with a bank, since the municipal market is very turbulent right now.

Mr. Bush went on to discuss DC Water's portfolio and how they are managed. He mentioned that the Rate Stabilization Fund is highly liquid. DC Water has access to the cash, if needed. DC Water's Operating Reserves provide strong rates of return and with high liquidity should revenues decline. The yield on the active reserves is 2.37 percent, which are strong rates of return and are generating interest income. The Debt Service Reserve Fund is a small piece of DC Water's overall investment portfolio invested out a year exclusively in treasury securities. Mr. Bush doesn't see a need for DC Water to touch that fund.

Replacement of Helaba Credit Facility Supporting Commercial Paper Program

Mr. Eric Brown, Sr. Managing Consultant and Financial Advisor with Public Financial Management, provided an overview for the replacement of the Helaba letter of credit facility supporting the commercial paper program. DC Water maintains \$150 million in the commercial paper program split into two series to provide short-term financing for taxable and tax-exempt projects. This program requires a bank provided credit facility, which provides liquidity and is used to pay investors upon maturity of issuance of commercial paper notes. The current facility with Landesbank Hessen-Thuringen Girozentrale expires on May 15, 2020. Helaba has decided to exit the business, so the existing facility must be replaced and cannot be extended.

DC Water conducted a competitive procurement process to obtain a replacement liquidity facility. TD Bank had the best bid. TD proposed a fee of 23 basis points for a five-year term. Mr. Eric Brown stated that this was the lowest bid he has seen on this type of project in over a decade. It is a reduction of three basis points, for the same five-year term.

The other consideration for the award was the credit quality of TD Bank. It is one of the highly rated banks providing these types of facilities. The commercial paper supported by TD Bank trades at a very competitive level compared to notes supported by other banks. The other factor in the bid award was legal terms. TD Bank has agreed to accept very similar terms as included in DC Water's existing negotiated agreement with Helaba.

Mr. David Franco asked why TD Bank was selected over the other respondents. Mr. Eric Brown stated that the major factor was pricing. The other factors were the legal terms and the credit quality of the bank. Mr. Eric Brown stated that some of the other bidders' prices were almost double that of TD Bank with varying legal terms. TD Bank was the best choice.

Renewal of TD Bank Credit Facility Supporting 2014B-1 and 2014-2 Bonds

Mr. Eric Brown also reported on the TD Bank credit facility supporting the 2014 Series B1 and B2 bonds. DC Water issued \$100 million in Variable Rate Demand Bonds (VRDBs) in 2014 that are currently outstanding. VRDBs require a bank-provided credit facility that provides liquidity and can be used to pay investors. That facility expires on July 23, 2020. There is a need for a renewal or replacement.

TD Bank offered to extend that contract with the same bid as the letter of credit (LOC) bid for the commercial paper. Mr. Eric Brown stated that there are some significant benefits to DC Water accepting that proposal. He discussed some of the benefits of renewing versus replacing. TD Bank has proposed an updated fee of 23 basis points for a five-year term, which is a reduction of five basis points from the prior facility despite a longer commitment term of five years versus three years. In addition, TD Bank has proposed to match pricing on a competitively bid LOC for the commercial paper program providing assurance to DC Water that this is a very competitive rate that is at or below the market. In addition, there are significant avoided upfront costs compared to a replacement. The legal fees associated with a replacement are likely between \$100,000 to \$150,000, ratings fees in excess of \$20,000, and other issuance costs of approximately \$25,000.

Additional benefits of renewing versus replacement include negotiations, staff time, and credit quality. A renewal requires an amendment and a replacement requires a full re-negotiation with the new bank. A replacement process generally requires approximately three months of concerted effort and focus for selected members of DC Water's staff. Lastly, TD Bank's credit quality is one of the higher rated banks providing these types of facilities. Public Financial Management's recommendation is to renew the TD facility with an extension through July 2025.

Mr. David Franco asked what are the risks with going with option two, which is going through a solicitation process for the replacement of the 2014 B1 and B2 bonds contract. Mr. Eric Brown stated that the major risk was not getting as good of a bid as the one with TD Bank. Mr. Major Riddick also reiterated that concern based on the current time we are in, as well as our business.

Enterprise Resource Planning (ERP) Implementation Update

Mr. Matthew Brown provided an overview of the ERP project noting that the implementation process is going well, and that today's presentation is to apprise the Committee of major accomplishments and progress to date.

Mr. Francis Cooper, Director, Enterprise Program Management Office (EPMO), provided the history of the project, noting that in September 2019, the project was assigned under the EPMO to give it structure and to ensure a seamless integration of the software in DC Water's business processes. Since that time several initiatives were taken including instituting a governance

structure and formalizing the change management approach. Mr. Cooper noted that a decision was also made to assign a fulltime Project Manager to the team and to fully integrate DC Water staff with the ERP System Integrator (AST) staff. This will ensure maximum stakeholder engagement and ownership of the business processes as they are being developed while we transition from Lawson to the Oracle environment. These initiatives will ensure that the appropriate level of knowledge transfer is taking place. From ownership's perspective and increase knowledge transfer effectiveness, it was prudent to have DC Water staff prepare the AS-IS process documentation as opposed to having the program integrator prepare them.

Mr. Cooper also noted that DC Water acquired the services of an outside vendor, Accenture, for support as an Independent Verification and Validation (IV&V). As a third party, they will oversee and review some of the methodologies and deliverables stemming from the implementation. They will also provide general guidance that would ensure that we are maximizing the capabilities of the Oracle system. He noted that DC Water structured the Change Management team to leverage the Authority's resources to actively engage with the AST resources, to ensure that knowledge transfer occurs with understanding that this is a business transformation opportunity for DC Water on how we execute our financial, procurement, and human resources processes across the organization.

Mr. Cooper noted that the implementation plan schedule is laid out in six phases over a 24-month time period with a go live of October 2020 for the Financials phase. He added that this timeframe was created in conjunction with AST in a thoughtful and calculated manner. Mr. Major Riddick inquired about the impact of COVID-19 on the project implementation. Mr. Cooper responded that because of the unknowns, it is very difficult to plan under the circumstances, noting that the plan has been thoroughly reviewed to identify activities requiring close engagement and proximity with the DC Water and AST resources. He stated that management is reviewing various strategies to mitigate any significant impact and that there are key activities that are moving forward, leveraging our Microsoft Teams environment to telework. Mr. Brown added that there are three major areas that will impact the project schedule. First, schedule adjustments will have to be made for upcoming activities in phase 1 while people are working remotely during the COVID-19 situation. Second, management will need to figure out what to do with the start dates for subsequent phases after 1 and 2. Third, potential challenges for activities under phase 1, such as the user acceptance testing, that have to be done face to face that are scheduled for July timeframe. Mr. Riddick cautioned that management should make it clear to the Board that due to these various issues, there will be some slippage in the original schedule. Mr. Brown appreciated the advice and planned to continue to keep the Board informed.

Next, Mr. Corey Gray, Director, Cultural Transformation, informed that there is a formalized change management process in place which is based on the Prosci/ADKAR (Awareness, Desire, Knowledge, Ability, and Reinforcement) model. He added that it was a strategic decision of the Authority to make sure that the DC Water staff and System Integrator team at all levels and all locations are fully engaged with the implementation process. He noted that DC Water's Leadership Team wanted to ensure staff concerns are heard regarding implementation of the program. He stated that between 30-40 staff members are part of the change management team and represent every aspect of the Authority. The team is made up of four workgroups namely Contract Engagement, Technology, Employee Engagement, and Education. The idea is that the members of the workgroup are the change ambassadors and they will not only share the good news of the program but also listen to staff and get feedback on the project's progression. Overall, this team would assist in ensuring a smooth transition from our legacy systems to the new Oracle

Cloud based system. In closing, Mr. Cooper stated that the project is on budget with some lag in actuals but gave less assurance on the project implementation timeline due to COVID-19.

Agenda for April Committee Meeting

Mr. Brown informed the Committee about opportunities to refund the 2012 Series A and C bonds for savings via forward direct purchase. Last month, the Committee was informed of DC Water's plans to take advantage of market opportunities for refinancing debt. On February 28, DC Water contacted senior and co-managers from the underwriting pool to solicit ideas specifically about the 2012 A and C Bonds.

Mr. Dan Hartman, Managing Director, Public Financial Management (PFM), stated that this discussion is time sensitive and relates to a possible refinancing of DC Water's outstanding 2012 series debt. This would generate \$53 million of present value savings. Last fall, DC Water did a taxable advanced refunding of Series 2013 bonds in the amount of \$350 million, and achieved a little over \$50 million of present value savings. PFM waited and decided not to do the 2012 bonds thinking that DC Water would have a better opportunity or savings in the future.

Before COVID-19 issues, PFM was already in the process of distributing a Request for Proposal (RFP) out to all of DC Water's banking team taking ideas for taxable advanced refunding or other options to do a tax-exempt deal, but on a forward basis.

This RFP is a direct purchase by JP Morgan or one of its affiliates to do a bank loan with private placement with JP Morgan on a forward basis as a tax-exempt advanced refunding. DC Water is currently in the process of negotiating a loan agreement with JP Morgan for a direct bank loan that would be delivered in the future to realize about \$53 million present value savings. The reason PFM is recommending that option is due to capital market dislocation. The past few days, specifically around March 10th, there were dramatic increases in the municipal markets where the bonds dislocated from the Treasury curve and went up as much as 200 basis points, whereas long term municipal bonds were at one and a half percent in 30 years. Earlier this week, they stood at three and a half percent. That reflected a real major rush to liquidity where everyone was trying to liquidate securities to their portfolios either to meet redemptions or to individuals that were trying to withdraw money to deal with this crisis or simply trying to build their own liquidity due to future uncertainty.

The real opportunity for savings for DC Water is a direct purchase loan, which could create significant savings. This differs from a traditional bond that DC Water would usually do. JP Morgan would do a forward loan for 2022, in the amount of approximately \$300 million that will not close until two years from now. Within that time, there are conditions that would have to be met. One is maintaining DC Water's credit rating and for no changes in tax-laws. Another condition is any material adverse change in the condition of the Authority. DC Water would try to limit this one and include COVID-19 impacts also.

After closing and proceeds have been delivered at the lower interest rate in 2022, the risks go down substantially. One risk is that DC Water's rating falls out of the investment grade category below BBB minus or A.

The savings here with a direct placement with a bank are \$53 million of present value savings. On a gross basis that's over \$64 million of savings that would accrue in 2022 and beyond to DC Water. The alternatives where they stand today, is that a taxable refund bond would generate a \$30 million present value savings.

Mr. Riddick wanted to clarify if this topic would be discussed in a special meeting for next week prior to the Board meeting next Thursday. Mr. Brown responded in the affirmative and that DC Water is still working through some of the details discussed by Mr. Hartman previously. If market conditions hold, the Committee will be asked to move this item forward to the full Board next Thursday. Mr. Riddick wants more time to drill down and understand the risks of this option in the current environment.

Action Items

The Committee members agreed to move the following action items to the full Board –

- Approval for ERP Software Renewal
- Approval of Independent Risk Management and Consultant Services
- Approval of Substitute Letters of Credit for the Commercial Paper Program and Increase and Decrease of the Amounts by Series
 - Authorizing Resolution
 - Third Amendment to the 11th Supplemental Trust Agreement
 - Second Amendment to the Dealer Agreement
 - Offering Memo
 - LOC & Reimbursement Agreement – Series B
 - LOC & Reimbursement Agreement – Series C
 - Irrevocable Transferable LOC – Series B
 - Irrevocable Transferable LOC – Series C
- Approval to Renew Credit Facility Supporting 2014B-1 and 2014B-2 Bonds
 - Authorizing Resolution
 - Attachment for Authorizing Resolution
 - TD Bank Extension proposal letter

Adjournment

Hearing no further business, the meeting adjourned at 12:58 p.m.

Follow-up Items

- Research the impact of COVID-19 on the contract with Independent Risk Management and Consultant Services (**Mr. Major Riddick**)



CEO'S REPORT

David L. Gadis
April 2020



Table of Contents

Message from the CEO/GM.....I

Organizational Performance Dashboardi

Financial Highlights1

 Financial Performance Summary 1

 Revenues and Operating Expenses 2

 Capital Spending..... 2

 Operating Cash and Receivables 3

 Delinquent Account Receivables..... 3

 Investment Yields 4

 Vendor Payments 5

Operations & Engineering6

 Electricity Usage Summary..... 6

 Electricity Usage by Service Area 6

 Waste Water Treatment 7

 Water Distribution Operations..... 8

 Water Balance 8

 Drinking Water Quality..... 9

 Fire Hydrants10

 Sewer System Operations11

 Combined Sewer System.....11

 Permit Processing.....12

Customer Experience13

 Customer Care.....13

Low Income Assistance Program.....14

 SPLASH Program.....14

 Customer Assistance Program(CAP)14

People & Talent15

 Human Resources15

 Recruitment Activity.....15

 Recruitment Performance Metrics.....16

Administration.....17

 Safety17

 Employee Lost Time Incident Rate17

 Contractor Lost Time Incident Rate18

Interpretation of Charts A

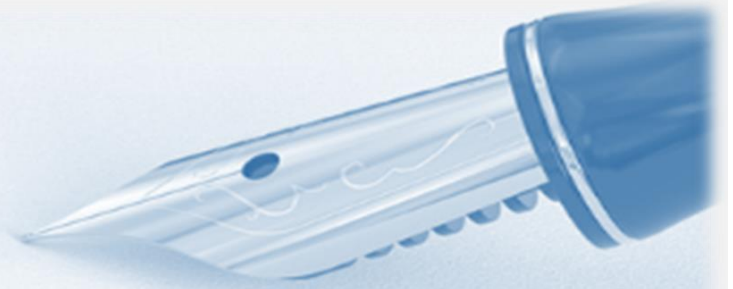
Color Key

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



From the desk of the CEO

David L. Gadis



April 2020

March Highlights:

- **COVID-19.** Under the leadership of EVP, Administration, Maureen Holman DC Water activated the Authority's Incident Management Team (IMT) on March 16th to assist in managing the mitigation and responses efforts and to establish a common operating picture for Coronavirus – COVID 19 pandemic efforts. The Planning Section and Liaison efforts for the IMT are facilitated by the OEM Director Dusti Lowndes, and Manager Jared Hill. A battle rhythm for planning meetings, operations briefs, and document facilitation has been established and is being facilitated daily. We continue to provide direct messages from leadership to staff, coordinate with the District HSEMA and regional stakeholders, and provide steady updates to pipeline for staff to have a trusted source of information about the pandemic.
- **Economic Stimulus.** CEO Gadis sent a letter to Congress urging members to include financial relief for Water Utilities in the Stimulus Package under consideration. The letter was signed and supported by more than twenty utilities leaders from across the country. Water industry organizations coordinated their efforts with DC Water by sending their own letter signed by the different organizations leaders including NACWA, AWWA, and the US Water Alliance.
- **Customer Assistance.** We are continuing to market the Customer Assistance Programs. We have placed additional advertisements in local newspapers and digital ads targeting DC Water customers. The first week of promoted ads on Facebook were seen by 45,000 people and generated 1,731 clicks on the link to our CAP webpage which explains how to apply for assistance. Almost 2,200 people visited that webpage in February, which is double the traffic we saw in January. Additional planned marketing will include a new insert in customer bills. We expect this outreach will continue the progress we've made in enrolling more customers. This year, over 2,700 customers have been enrolled in our programs, including a 34% increase in CAP2.
- **Operational Safety.** In support of the operational safety strategic program, the Department of Occupational Safety and Health trained 95% of Department of Wastewater Engineering employees in confined space entry. The Departments are collaborating to establish additional safety courses for the staff.

- **Innovation.** Matt Ries, Director, Sustainability and Watershed Management delivered the keynote address for the American Society of Civil Engineers Industry Leaders Council on March 12. His presentation, “A National Prospective on the Water Sector: How Innovation and Operational Efficiency will Enhance Service to the Public,” was delivered to leaders from industry, academia, government, and non-governmental organizations to enhance DC Water’s collaboration across the civil engineering community. Other session topics included enhancing education, safety, cyber security, resilience, and diversity in civil engineering.

Department of Operations and Engineering

Water Operations and Water Quality & Technology

Accomplishment(s)

The table below shows the amounts billed for Food Service Establishments/Fats, Oils and Grease (FSE/FOG) and Backflow Prevention Assemblies (BPA) fees and collected from Fire Hydrant Use Permit & Equipment Fees. Note: The Fire Hydrant Use & Equipment Fees include prepaid fees and deposits that are not realized as revenue until equipment is returned or meter reading submitted.

Program	February 2020	FY2020 (cumulative)
Fire Hydrant Use Permit & Equipment Fees collected	\$49,586	\$133,047
BPA	\$83,710	\$415,695
FSE/FOG	\$43,704	\$216,995

Operational Performance

- The Department responded to 93% of the emergency investigative calls within the 45-minute response time in February 2020. The measured target is 90% per month.
- There were 24.89 (28) Water main breaks per 100 miles of pipe for the month of February. The accepted national average is 25 breaks per 100 miles.
- The Department replaced 44 hydrants in February with a monthly target of 21 per month.

Progress Report

Water Quality & Technology (WQ&T)

- **Total Coliform Rule** – DC Water collected 245 samples in February 2020 for compliance with the Total Coliform Rule (TCR). DC Water met the TCR standards for February with none of the samples testing positive (0 percent) for total coliform.
- **Lead and Copper Rule** – Lead and Copper Rule – DC Water distributed 102 sample kits to customers in January and February 2020. Among the distributed kits, we received and submitted samples from 58 homes to the Washington Aqueduct Laboratory for analysis. The results are pending.
- **Illegal Connection to Fire Hydrant Investigations**-completed one investigation
- **Cross-Connection Control (CCC) Surveys**-completed 13 site surveys for compliance with CCC regulations.
- **Cross-Connection Control Compliance**-681 Backflow Prevention Assembly Annual Inspections by DC Water Approved Inspectors were received through the DC Water Third-Party Portal in February 2020. Approximately, 68% of all backflow preventers tracked are compliant as of February 29th. Compliant means the backflow prevention assembly passed inspection within 365 days of February 29th.
- **Compliance Group, Pretreatment Group, and DC Department of Public Works (DPW)** finalized proposed regulation changes to DC Municipal Regulations 21 Section 704 on garbage disposals, bio-digesters and liquefiers. The regulations aim to reduce risk of food waste clogging sewer mains. These regulations will be proposed by DPW.

Construction Contract Management Branch (CCMB)

- CCMB managed the completion of 83 rehabilitations to the water distribution system, and 76 sewer/storm collection system rehabilitations and replacements with contracted resources in the month of February.
- The Public Space Restoration team successfully completed the restoration of 105 (84 water and 21 sewer) sites in support of water and sewer system operational activities.
- The Work Control group processed 467 District Department of Transportation permits in support of operational activities on behalf of Water and Sewer Operations. Operational permits include Emergency Work Requests (EWR's), Construction Permits, and Occupancy Permits.

Lead Service Replacement (LSR)

- LSR Voluntary Program supported the replacement of 42 lead service lines in the month of February.

Sewer Operations

Accomplishment(s)

Anchor Construction working under the DC Water sewer emergency contract performed pipe repair in January 2019 on a damaged sewer at 17th Street and D St., NW that formed a sinkhole near the White House won the 2019 Top Job in sewer & water category on the National Construction Level (NUCA). This repair work was done to replaced 16 LF of a collapsed 27-inch sewer that connects the 10' 6" Easby Point Trunk sewer to the B St. & NJ Ave., Trunk sewer.

Operational Performance

- **Strategic Program #4: Driving Performance (NPDES Regulatory requirement)**
 - Crews cleaned 2900 catch basins in February 2020. Calendar year total - 4785
 - 3120 tons of floatable debris was removed from the Anacostia River in February 2020.
 - February 2020, crews responded and resolved 120 lateral complaints and 8 main line sewer backups.
- **Strategic Program #5: Leveraging Technology**
 - Identified and completed CIPP 1 lateral for February 2020.

Progress Report

Sewer On-going Projects

- This month, crews responding to sinkholes reports on the grounds of the Georgetown Plaza Hotel at 2800 Pennsylvania Ave., NW near Rock Creek Parkway over the West Rock Creek Diversion sewer revealed that the 9' 6" x 7' 7" concrete and brick sewer was not collapsed, but that the concrete thickness on the crown of the pipe appeared to be compromised. Hence, under our sewer emergency main line contract, we are removing silt and debris from the sewer to conduct a more comprehensive conditional assessment on the structural integrity of the pipe. For 10 days in February, we have cleaned 320 feet of the sewer and removed approximately 55 tons of grit and sand from the pipe.
- Scheduled permanent sewer repair at Foundry Branch (Bulkhead/Leak Repair) location on the Potomac Interceptor was postponed because of rain to the week of March 2, 2020.
- Work was started to dismantle and remove from operations the end of pipe netting system at CSO #018. The end of pipe netting system was developed as a demonstration project addressing solids and floatable removal on the nine minimum controls program for combined sewers when Long-Term Control Plans were being developed. This action was possible because of changes at the upstream diversion structure which now conveys the additional flow into the recently in-place Anacostia River Tunnel. The outfall now discharges only storm flow from surface run-off.

News and Events

- Because of unfavorable weather, no work was started on the base support for the roof covering at DPWs Benning Road Transfer Station.

Wastewater Engineering

Operational Performance

- In support of the operational safety strategic program, DOSH trained 95% of DWE employees in confined space entry. DWE is working with DOSH to establish additional safety courses for the staff.

Progress Report

- Participated in Capital Program Procurement Leadership Council, whose mission is to establish a smooth transition of key processes from engineering to procurement.
- Continued planning for procurement of a power monitoring and control design at Blue Plains.
- Continued designs for Headworks Influent Structures, Reclaimed Final Effluent Pump Station Upgrade and COF Electrical Upgrade.
- Completed negotiations for design of a solar-topped curing pad at Blue Plains.
- Completed design for emergency rehabilitation of the west grit effluent channel at Blue Plains.
- Started design to improve data exchange between Washington Aqueduct and DC Water's SCADA systems. Completed fiber optic installation between Bryant St. pump station and McMillan Reservoir.
- MFU-4 construction contract completed emergency scum line repair, allowing this critical process line to be placed back in service.
- MFU-5 construction contract completed the replacement of safety handrails at Deane Ave NW Storm water PS
- MFU-6 construction contract completed temporary piping for the Filtration Treatment Facility reactor 5 to allow the tank to be placed back in service while permanent repairs are implemented.
- MFU-6 construction contract completed installation of two influent screens at the Main PS including integration to the SCADA system

News and Events

- DWE and DETS staff participated as a subject matter experts in a workshop for the Water Research Foundation's UAIM (Utility Analysis for Improvement Methodology) project.
- Steve Bian, supervisor of DWE Civil and Structural Engineering group, presented for a Webinar for the Chesapeake Water Environment Association on the B-Street/New Jersey Trunk Sewer Rehabilitation.

Engineering and Technical Services

Accomplishment(s)

- Executed contract for Small Diameter Water Main Replacement (SDWMR) 13B and issued Notice to Proceed (NTP) to the contractor on 03/27/2020.
- Executed contract for SDWMR 13A on 03/19/2020 and NTP issued on 03/03/2020.
- Opened bid for SDWMR 13C on 03/11/2020 with the apparent low was under the engineer's estimate and the top five bids were with \$240K of each other.
- Notice to Proceed issued for the assessment of Franklin St 30-in & 36-in PCCP water main.
- Completed As-Built for the following DDOT project locations:
 - DOEE Stickfoot Branch Stream
 - East Capitol Street, NE from Anacostia to Southern Avenue
 - K Street, NW Transitway

Operational Performance

- Provided training provided to Operation Departments on the newly updated reservoir and pressure zone operations and maintenance manuals.
- Started updating of the Combined Sewer Operations and Maintenance Manual.
- Continued providing hydrant flow testing support to water operations.

Progress Report

- Continued planning and pre-design for the following CIP Projects:
 - RD03 Oxon Run Rehabilitation
 - QS02 Local Sewer Rehab Project 5-2.
 - RC01 Rehabilitation of Rock Creek Main Interceptor & Beach Drive Sewers
 - IL02 Creekbed Rehabilitation at Dumbarton Oaks
 - IM04 Creekbed Rehabilitation at Fort Dupont
 - G204 Rehab Gate Structure 5A, 5B, 5C, & Poplar Point PS Junction
- Completed the Concept Design Report for Small Diameter Water Main Replacement (SDWMR) projects 16B & 16C and transitioned to Design.
- Completed Concept Design Report for the Major Sewer Rehab 1-5 Northeast Boundary Trunk Sewer (Project ID RC07) and transitioned to Design.
- Continued updating InfoAsset Planner (AKA InfoMaster) to reflect the GIS sewer model updates and integrating all major Pipeline Assessment Certification Program (PACP) data.
- Continued procurement of the design-build contract for LZ07 Rehabilitation of the Potomac Interceptor (PI) between MH31 and MH30. Each month, progress reports of this Project are sent to Great Falls community.
- Continued with the PI access road study and corrosion root cause analysis.

Progress Report(Con't)

- Continued working on FY 2020 and FY2021 planned inspection and assessments of the collection system.
- Continued working with National Park Service and WSSC to prevent potential for damage to the Potomac Interceptor crossing Cabin John Creek due to severe flooding. Current efforts include defining scope and preparing concept design report.
- Continued to assist the Lead Pipe Replacement Assistance Program (LPRAP).
- Continued the business case evaluation of the 3rd St and Constitution Ave NW Pumping Station to justify the need for rehabilitation.
- Continued development of a high-level dashboard to track the Small Diameter Water Main Renewal Program (SDWMRP) and the Local Sewer Rehabilitation Program (LSRP).
- Continued negotiations with the inspection contractor for the inspection of 10-miles of local sewer and rock creek siphon in FY2020.
- Working with Department of Pumping Operations to start the inspection of AFM high points using in-house resources.
- Continued discussions with the EPA to identify opportunities to collaborate and test new technologies. EPA briefed DC Water on initial findings from the Raw Water Decontamination Experiments at their Test Bed Facility.
- Completed Pre-Advertisement Certification package for signature approval for SDWMR 14A
- SDWMR 14A – Completed Pre-Advertisement Certification package for signature approval
- Executed Design Task Order brown folder for Potomac Interceptor (PI) Phase 2 Pipe Rehabilitation at Potomac Crossing on 02/25/2020
- Approved by DDOT 14B-2R Denver Street High view Terrace (11 Traffic Control Permit (TCP) packages).
- Submitted 28 TCP packages to DDOT:
 - 14C Quackenbos (five TCP packages)
 - 14C-1 Locust-Kalmia Road NW (five TCP packages)
 - 14C-2 Chevy Chase (six TCP packages)
 - 14C-4 Massachusetts Avenue Heights (four TCP packages)
 - 15A-2 Massachusetts Avenue Heights (five TCP packages)
 - 15A-3 Navy Annex (three TCP packages)

News and Events

- Getachew Melsew participated in the Utility Analysis & Improvement Methodology workshop in Anaheim, CA. Led discussions on Business Case Evaluation and CIP Prioritization along with Kathleen Kharkar, and participated in CIP Delivery discussions as well.
- Getachew Melsew spoke on “Modeling “As is” Business Processes and Collecting Data” and was a panelist on “Utility Collaboration for Innovation and Development of Best Practices” on February 27, 2020 at the Utility Management Conference in Anaheim, CA. He also attended Utility Management Committee at the at the Utility Management Conference in Anaheim, CA.
- Getachew Melsew presented a paper titled “Water Supply Resilience in the Nation’s Capital” on February 28, 2020 at the Utility Management Conference in Anaheim, CA.

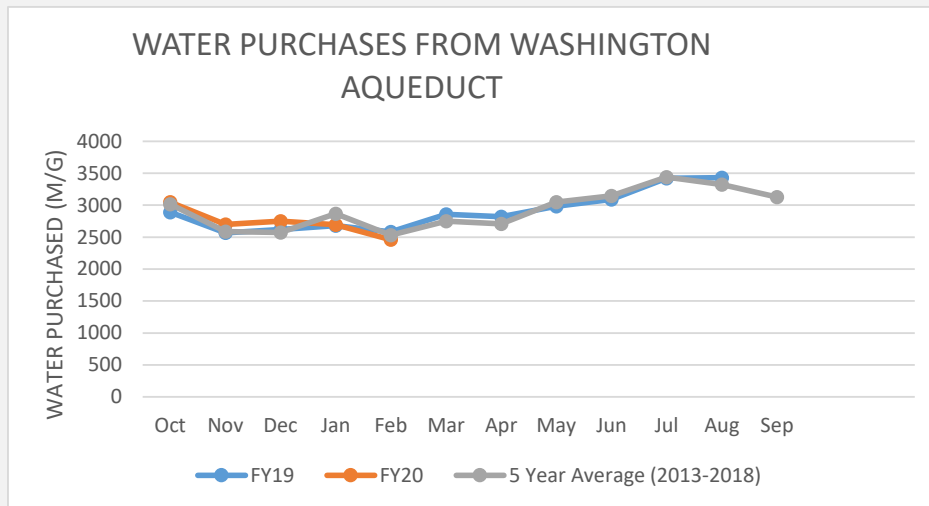
Pumping Operations

Accomplishment(s)

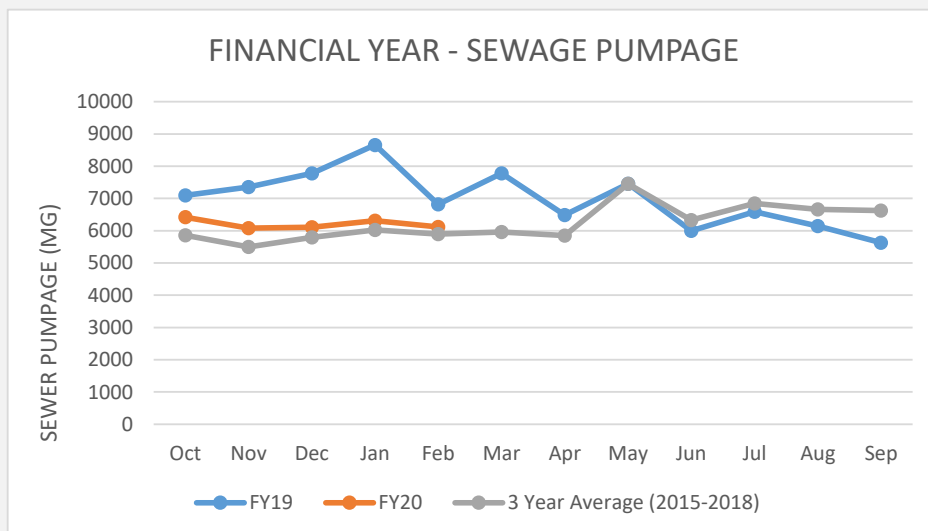
- The Operations team has begun training all wastewater operators at Potomac Pumping Station on the operation of the Water Distribution System. All shifts are being trained on the operation of the Water Distribution System
- Screens 1 and 2 have been formally commissioned at Main Pump Station
- McMillian Water Treatment Plant is back online and functioning at normal operations
- As part of Long-Term Corrosion Prevention program, the Potomac Interceptor team has finished screening contractors to pilot point repair with spray method sending divers into the pipe avoiding disruptive bypass pumping
- CCTV inspection for 2 segments (MH 86 – 87 and MH 57 – 58) were completed to track the condition of that segment of the pipe
- Potomac Interceptor Optimization study has been crafted
- WATS implementation and Differential pressure study strategy was initiated and key instruments like the Odalogs and the anemometer was brought by DC Water
- RFP for media change out for all the Potomac Interceptor facilities is taking place and being drafted
- Industrial cleaning of sewer, wastewater and water stations are in progress
- DPO now has 7 Certified Reliability Leaders and we are continuing the road toward world class reliability
- Fort Reno Pump Station pump replacement project is underway
- O Street Pump Station Screen replacement submittal phase underway

Operational Performance

- The water purchases for the month of February 2020 was 2460.11 MG which is down 3% of the 5-year average. For the past 2 years, there has been a downward trend of Water Purchases from WAD.



- There is has been a significant decrease in the amount of sewage pumpage over the past 2 years. This is due to the decrease in rain events we've had over the past several months. This month we pumped 6113.90 MG of sewage.



Operational Performance(Con't)

- The Potomac Interceptor team has had zero odor complaints from residents at five odor control sites as well as all pump station odor control facilities.
- Potomac Interceptor Site 17 is shut off as the media has become hard but work is in progress at this site to get it repaired as soon as possible
- The Tunnel VCVs are being inspected weekly. VCV air permit has been submitted
- Maximo training completed
- Tremble software initialization – Asset management/tracking software to be installed for the PI to streamline work orders and improve the efficiency of maintenance
- Maintenance’s work order backlog total is 124. See below:

Age	Count	%
< 30 Days	59	48%
30 - 60 Days	25	20%
60 - 90 Days	13	10%
> 90 Days	27	22%
Total	124	

Progress Report

- Odor Survey and frequent odor samples are being taken from all the odor control facilities to measure the saturation of the media
- Flow meter quote is underway (possible solar panels at some locations to save electricity cost and will be connected to SCADA to better monitor the flow rates at the PI)
- Permitting and PO has been granted for the FRP work which will start in few weeks’ time
- Quarterly MDOT meetings are happening regarding the expansion project


Permits

Accomplishment(s)

- DC Water Board of directors approves update to permit review fees – to be effective 3/2/2020 which will result in a relatively small dollar increase in fees but much greater clarity and consistency of fees across the community.

Operational Performance

- Permit Operations processed 259 permit application tasks, 233 were completed on-time for a monthly KPI average of 90% (See table below)
- Permit Ops. collected approximately \$71,000.00 in plan review fees
- Permit Ops. collected approximately \$25,000.00 in new SAF Fees
- Permit Operations collected approximately
 - \$12,000.00 in Flat and Reimbursable Water Services Inspection fees
 - \$55,000 in Flat and Reimbursable Sewer Services inspection fees
 - \$20,000 in Flat and Reimbursable Construction Inspection fees

 Completed Applications Summary Application Type: ALL From: 02/01/2020 To: 02/29/2020						
Month	Application Code	Application Type	# Processed	# Processed Within Time	% Processed Within Time	Avg Time to Completed (days)
February 2020						
	APR	Approved Plan Revision Request	4	4	100%	12
	HOME	Single Family Home Permit App	65	57	88%	10
	PPRL	Preliminary Plan Review - Large	31	28	90%	19
	PPRS	Preliminary Plan Review - Small	52	43	83%	16
	RAZE	Raze Permit	23	21	91%	14
	SHEET	Sheeting and Shoring Permit	10	10	100%	20
	WSAC	Water & Sewer Avail Cert	74	70	95%	19
Totals:			259	233	90%	

Progress Report

- Permit Operations, working with Budget and Finance have assembled a recommended list of aging inspection fee accounts to close. Approx. \$13M
- Permit Ops and AECOM progress review meeting with O&E Management, short and long term recommendations identified for communicating with GM, OCFO, ETC.

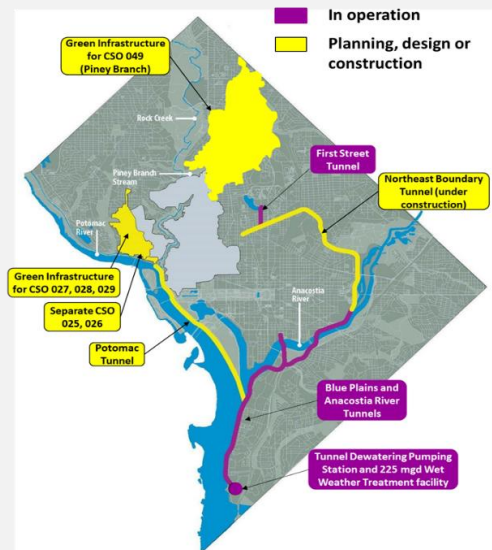
News and Events

- Coronavirus makes critical impact on operations
- Permit Operations Department to telework to extent possible
- Number of plan submissions drops significantly
- Office public hours reduced to half days to limit exposure

Clean Rivers

Accomplishment(s)

- Achieving 90% overall capture rate, exceeding the projected 80% capture rate at this stage of implementation.



Operational Performance

- **Performance of Anacostia River Tunnel System**
Captured approximately 7.2 billion gallons of combined sewer overflows and over 3,300 tons of trash, debris, and other solids (March 20, 2018—March 18, 2020) that would otherwise have overflowed to the Anacostia River

Progress Report

- **Drain the Rain (Downspout Disconnection) 2019 Phase**
 - Completed survey and inspection phase of Downspout Disconnection Program.
 - Reviewed and finalized Survey and Inspection Phase Report.
 - Reviewed and coordinated submittal of contractor's invoice.
- **Drain the Rain (Downspout Disconnection) 2020 Phase**
 - Completed QC and app reporting training with contractor on February 27, 2020.
 - Printed all outreach materials for 2020 Downspout Disconnection Program.
 - Informed Councilmember Todd and ANC 4C and 4D Commissioners of launch of 2020 Phase.
 - Distributed mailer announcing launch of 2020 Downspout Disconnection Program to residents in project area.
 - Developed training documents and presentation for 2020 Phase.
 - Completed program training for downspout disconnection contractor staff on March 12, 2020.
 - Reviewed and finalized 2020 Work Plan.
 - Reviewed and finalized 2020 Safety Plan.
 - Reviewed and coordinated submittal of contractor's invoice.

Progress Report(Con't)

- **Northeast Boundary Tunnel Project (NEBT) – Design**
 - Reviewing Florida Avenue Support of Excavation Package 11-9 Release for Construction documents.
 - Completed review of the detailed Construction Impact Assessment Report for Mount Olivet Road – Diversion Construction Site.
 - Reviewing 4th Street near surface structure rebar shop drawings.
 - Reviewing 4th Street guide walls shop drawings.
 - W Street and R Street Support of Excavation Design Change packages from SIH designer were reviewed for adherence to Mandatory Requirements.
- **Northeast Boundary Tunnel Project – Construction**
 - Tunneling
 - TBM Chris mined 15,505 feet (58.2%) as of March 17, 2020.
 - Mount Olivet Road Construction Site
 - Shaft final liner, fourth pour completed on March 13, 2020.
 - W Street Construction Site
 - Shaft final liner, second pour completed on March 14, 2020.
 - Rhode Island Avenue Construction Site
 - Jet grout work for adit continues, completed 82 out of 120 columns.
 - 4th Street Construction Site
 - Shaft final liner, second pour completed on February 5, 2020.
 - Freeze pipe installation completed on March 11, 2020.
 - First Street Construction Site
 - Test columns for jet grouting First Street Connector Tunnel ground improvement completed on February 6, 2020. Verification coring of jet grout ongoing.
 - T Street Construction Site
 - Mobilization to the site started on March 16, 2020
 - Florida Avenue Construction Site
 - Secant pile construction for near surface structure completed on March 13, 2020.
 - Jet grout work for invert plug continues, completed 31 out of 204 columns.
 - Shaft excavation, 36-ft completed.
 - R Street Construction Site
 - Cement bentonite wall construction for TBM break-in continues; 6 of 10 panels completed.
- **CSO 025/026 Sewer Separation Project**
 - Industry Outreach Meeting held on March 4, 2020.
 - Meeting with DDOT on impact assessment memorandum held on February 21, 2020. Discussion resulted in resolution on language and revisions to be included in Contract Documents, which address concerns about protection of existing DDOT structures adjacent to proposed work.

Progress Report(Con't)

- Updated impact assessment memorandum was provided to District Department of Transportation (DDOT). DDOT responded that they did not have any additional comments.
- Letter of approval from Commission of Fine Arts and Old Georgetown Board about Division PR-C project received.
- Letter of “No Conflict” from WMATA received.
- Received comments from DDOT on public space permit submittal. Plans have been revised and responses provided to DDOT for approval.
- Erosion and Sediment Control permit request submitted to DOEE.
- Public Tree permit request submitted to DDOT.
- Request for Qualifications/Proposal (RFQ/P) was issued on March 11, 2020.
- Video conference meeting held with ANC 2E Commissioner and Georgetown Business Improvement District (BID) to discuss traffic control plans to be approved by DDOT. Concerns from ANC and BID to be discussed with DDOT.
- Work Plan from Washington Gas received on March 15, 2020 for relocation of two of the four lines required for the Division PR-C project. The two pending lines were excluded by Washington Gas from the Work Plan because of additional coordination requirements. Work Plan is pending DC Water approval and signature.
- **Potomac River Tunnel**
 - Executed Section 106 Programmatic Agreement with National Park Service (NPS), National Capital Planning Commission, and DC Historic Preservation Office.
 - Coordinating approval of Finding of No Significant Impact (FONSI) with NPS to conclude the National Environmental Policy Act (NEPA) compliance process, anticipated in early April.
 - Commencing preparation of Request for Proposal documents for Potomac River Tunnel construction contract and early utility relocation contract.
 - Geotechnical borings ongoing in the Potomac River near the 14th Street Bridge to investigate subsurface conditions along the tunnel alignment. Permits for additional land borings to be drilled in FY2020 being coordinated with NPS, DDOT, and DOEE.
- **Potomac River Project A**
 - Final project close-out is ongoing and expected to be completed by the end of 2020 Q1
- **National Green Infrastructure Certification Program (NGICP)**
 - Initial scope and schedule for Spring 2020 Training is currently under review
- **Environmental Impact Bond Reporting**
 - Monthly reporting is ongoing. February 2020 report was sent to investors on March 2, 2020.

Progress Report(Con't)

- **Public Outreach Activities**
 - Potomac River Green Infrastructure (GI) Project 1/ Rock Creek Green Infrastructure Project 1/Green Alley Partnership
 - Reviewed completed GI Surveys from 132 residents adjacent to GI facilities. Survey is now closed.
 - Summarized results of GI Survey for Practicability Report.
 - Continued discussion with resident of 600 Hamilton ST NW regarding noise complaint from alley.
 - Provided information on program to multiple graduate students.
 - Coordinated interested resident and school group GI tours for Spring and Summer 2020.
 - CSO 025/026 Sewer Separation
 - Provided updates to ANC 2E05 Commissioner Palmer and Georgetown BID on proposed MOTs at March 12, 2020 meeting.
 - Began action items developed from March 12, 2020 meeting.
 - NEBT Business Impact Mitigation Plan
 - VP Carlton Ray met with North Capitol Main Street and Rhode Island Avenue Main Street Executive Directors, Aisha Bond and Kyle Todd, to discuss the Main Street and DC Water partnership and additional funding opportunities for NEBT-impacted businesses. Mr. Ray also met with Kristi Whitfield, Director of the Department of Small and Local Business Development.
 - General Manager Gadis met with Councilmember McDuffie and conducted a site visit to meet with impacted businesses.
 - All Main Street directors continue to advocate on behalf of DC Water and the NEBT project to the impacted businesses under their purview.
 - NEBT Outreach
 - Continued to respond to residents' emails concerning NEBT construction impacts and schedule.
 - Canceled the planning of Community Day #2 due to the coronavirus outbreak. Planning will resume later in the year.
 - Canceled the T Street Block Meeting scheduled for March 14, 2020. Distributed an informative presentation as a door hanger to T Street residents.
 - Canceled the Tunnel Forum Meeting scheduled for March 19, 2020. Preparing to distribute the presentation via email and to post it to the NEBT webpage.
 - Participated in the Anacostia River Tunnel 2-Year Celebration Planning meeting on March 11, 2020 and the headquarters site visit on March 12, 2020.
 - Informed Commissioner Oliver and distributed notifications to residents on March 11, 2020 regarding second 24-hour pour at W Street Site.
 - Presented a NEBT construction site update at the monthly North Capitol Main Street Business Summit on March 12, 2020.
 - Distributed a 24-hour Saturday workday notice to residents in the W Street NE Construction Site area.
 - Distributed notification for T ST NW instrumentation installation, mobilization and block meeting.

Progress Report(Con't)

- Contacted the three 4th Street area businesses that received parking passes to learn how useful they are finding the passes. The passes, paid for by Salini Impregilo Healy, allow for business staff to park in the Foreman Mills parking lot. Informed Commissioner Oliver and the community of extended hours and 24-hour concrete pour activities at W Street NE Construction Site.
- Provided presentation about 4th Street and Rhode Island Avenue NE Construction Sites at ANC5E10 Meeting on February 27, 2020.
- Conducted door-to-door outreach on T Street NW to identify car owners who needed to move vehicles in area of tree removal.
- Updated reference material for team prior to the DC Council's Oversight Hearing Committee on February 27, 2020.
- Attended Commissioner Oliver's ANC 5C05 meeting on February 11, 2020, to brief community on extended work hours and feedback on change to haul hours.
- Agreed to present at Commissioner Nancy Jones' ANC 5E10 meeting on February 27, 2020. Designed and distributed notice to residents on Friday, February 14, 2020.
- On February 11, 2020, met with Teri J Quinn to discuss NEBT project outreach, spoke to property owner Bobby Donaldson of 238 Rhode Island Avenue NW about his plans to re-open his restaurant and his desire to submit a claim, and to Commissioner Dianne Barnes about residents who want to park in the Bryant Street APA.

News and Events

- Presented NEBT update at SMD5E10 Meeting on February 27, 2020

Office of Administration

Under the leadership of EVP, Administration, Maureen Holman DC Water activated the Authority’s Incident Management Team (IMT) on March 16th to assist in managing the mitigation and responses efforts and to establish a common operating picture for Coronavirus – COVID 19 pandemic efforts. The Planning Section and Liaison efforts for the IMT are facilitated by the OEM Director Dusti Lowndes, and Manager Jared Hill. A battle rhythm for planning meetings, operations briefs, and document facilitation has been established and is being facilitated daily. We continue to provide direct messages from leadership to staff, coordinate with the District HSEMA and regional stakeholders, and provide steady updates to pipeline for staff to have a trusted source of information about the pandemic.

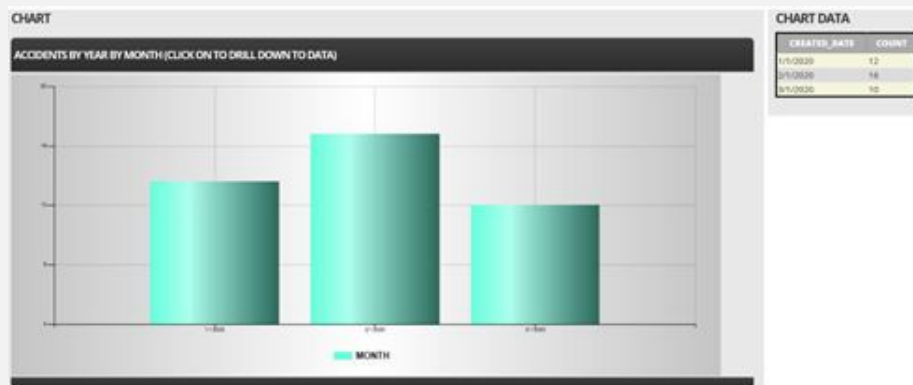
Fleet

Accomplishment(s)

- Tim was nominated by Government Fleet Magazine for Public Fleet Hall of Fame. “He is a unique individual. He has been involved at all levels of public fleet management as a consultant and fleet manager. He has served the last 10 years as the Director of Fleet Management for DC Water. He is known for his excellent interpersonal skills and management expertise. He is known for his excellent team building skills and for his willingness to assist other fleet managers”

Operational Performance

- Vehicles/Equipment overall availability 90% month of February 2020
 - Priority #1 units – 87%
 - Priority #2 units – 88%
 - Priority #3 units – 96%



Progress Report

- Fleet completed the transition process and continuing to pursue highly skilled automotive technicians with KLSL Consulting (Temp Staff) LLC, we are moving towards full staffing
- The Department of Fleet Management continues to collaborate with REG Marketing & Logistics Group, (REG) and Optimus Technologies have agreed to a Pilot Project for funding up to \$200K for B100 (neat biodiesel) for (9) units.
- Fleet has applied for the Department of Energy DERA Grant
- Fleet is in high gear preparing equipment for spring/summer season

News and Events

- National Association of Fleet Administration 2020 Conference -nominations application due March 5th for the Excellence in Corporate/Private Fleet and Mobility Management and Excellence in Public Fleet or Mobility Management and 100 Best Fleets recognitions-April 6-8 2020
- 2020 Government Fleet Expo & Conference -application submitted February 14th for "Leading Fleets" recognitions May 18-21 2020

Facilities

Operational Performance

- Facilities is actively supporting COVID-19 response with enhanced cleaning, sanitizing and hand washing supplies. Also provided two Deep Cleaning services, one at the Permits Office and one at Maintenance Shops at Blue Plains.
- Facilities is working in coordination with Procurement on a new A/E basic ordering agreement contract for program management, design and construction management services to support land use and non-process capital projects.
- Facilities is working in coordination with People & Talent to reorganize the Facilities Department, primarily using existing personnel/FTEs. The reorganization is designed to support proactive maintenance of DC Water facilities and the new land use element within the Department.
- Facilities, in coordination with Safety is preparing for safety, health and hygiene observations, collecting baseline data for all of DC Water's non-regularly occupied facilities. Phase I data for regularly occupied has been recorded and 134 work orders were generated based on issues identified during the inspections. Phase II inspections of non-regularly occupied spaces is schedule to start late in March or early April 2020.

Progress Report

- **Some of the Projects completed:**
 - Supported 1 Blue Drop Event
 - Supported 14 Boardroom/Department events
 - CMF Clean Rivers area duct cleaning
 - Completed handrails at 3rd Constitution Ave
 - Handrails completed at the substation by the Kennedy Center
 - Complete kitchen at O Street Main Pump Station (note, this work is a result of information obtained in the Health & Hygiene Assessment)
 - Completed kitchen at O Street Welding shop (note, this work is a result of information obtained in the Health & Hygiene Assessment)
 - CMF mezzanine level water leaks investigation
 - CMF electrical shop basement mold remediation
- **Active Projects:**
 - Cleaning and painting pipes in the Multimedia Gallery at Blue Plains WWTP
 - Cleaning and painting pipes in the sub gallery at Main Pump Station
 - Installed new chiller on COF HVAC system
 - Renovating one kitchen at Main Pump Station
 - Renovating kitchen in CMF Switchgear Shop
 - HQ Pilot compost program
 - FT Reno Trailers (Permit pending)
 - DSLF Roof Replacement, Blue Plains
 - Elevator car upgrades at Blue Plains Secondary Control Building
 - Upgrades to Fleet Building at O Street Campus (note, this work is a result of information obtained in the Health & Hygiene Assessment)
 - Fort Reno PS Tank Roof replacement and lightning protection system installation
- **Upcoming Projects:**
 - Replace safety rails at Deanwood Pump Station
 - Resurface bathroom floor at Nitrification Blower Building, Blue Plains
 - Renovate kitchen in Multimedia Building, Blue Plains
 - Solids Building Elev 107' Roof Coating
 - HQ campus flag poles installation and CSO light move

Emergency Management

Accomplishment(s)

- On February 18th, panel presenter at the Department of Homeland Security-Cybersecurity and Infrastructure Security Agency (CISA) townhall meeting with nearly 700 attendees.
- On February 26th, presented after action report findings from November 8th - 4th High Boil Water Order at the District's Emergency Response Meeting for emergency support function leads

Operational Performance

- Attended the AWR-213: Critical Infrastructure Security and Resilience Awareness training on February 19, 2020.
- Provided Office of Emergency Management presentation at new employee orientation on March 2nd.
- Initiated and completed an Authority-wide review of the Authority's Continuity of Operations Plan (COOP) and Emergency Management Plan's (EMP) Pandemic/Epidemic Procedure to better prepare for the COVID-19 outbreak.
- An Active Threat Awareness training was held on February 25th at Blue Plains in the Central Maintenance Facility.
- Coordinated and collaborated closely with DOSH to establish and review best practices and policies in response to the COVID-19 outbreak.
- Established Coronavirus web page for employee outreach and information.
- Since February 26th, participated in ten DC's Homeland Security Emergency Management Agency (HSEMA) and District Consequence Management Team operational coordination and situational awareness meetings for COVID-19 outbreak which became a pandemic.
- On February 27th, attended HSEMA's Training and Exercise Working Group to align DC Water's initiatives with district-wide training and exercise opportunities.
- Participated in Team Results Master Class for leadership and incident management from March 9-11th.

Progress Report

- On March 5th, facilitated kick off meeting with DC Fire and Emergency Medical Services and with DC Water's Security, Safety, and Facilities departments to review improvements that have been addressed following the fire and life safety inspections.

News and Events

- Coronavirus pandemic response efforts are likely going to continue through the first part of April. Resources and efforts will be shifted throughout the Authority as many departments and programs work to implement and respond to social distancing efforts and facilitate services within the Authority and for our customers. Trainings, other than specific to COVID-19 response, and non-essential meetings are cancelled through the month of April.

Security

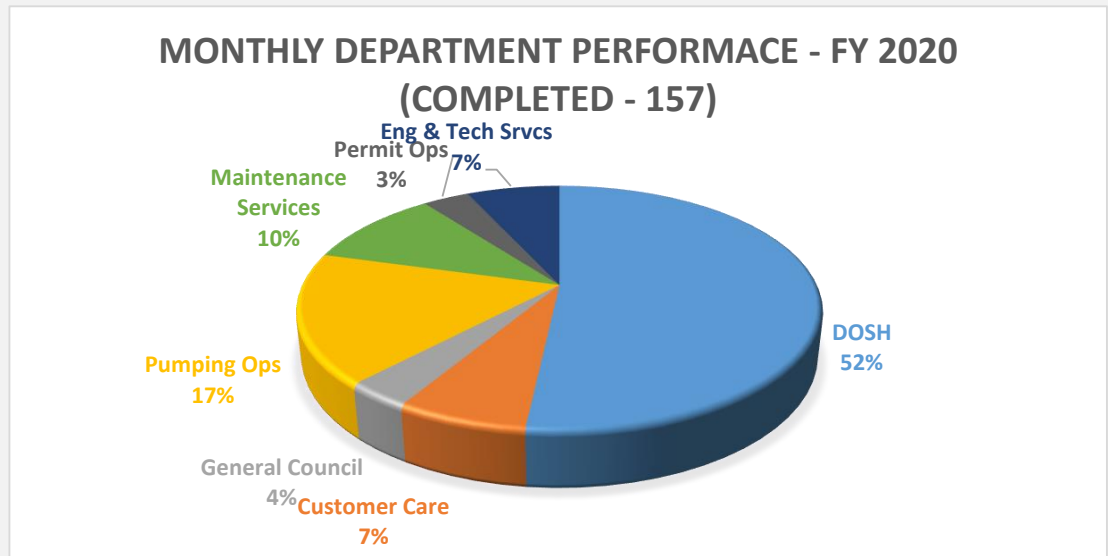
Operational Performance

Operational Metrics - February

- Visitors – electronically documented
 - 1. HQO – 494
 - 2. BP Visitor Center – 1158
 - 3. Gate A - 895
 - 4. Bryant Street– 73
- Security Services – 40 (incidents/accidents/support services)
- Locksmith Services – 25 service requests
- Blue Drop - 4 events
- Trainings – Armed Officers
 - Critical Infrastructure Security & Resilience Awareness

Safety

Accomplishment(s)



- Completed and posted the 2019 OSHA 300A Form, throughout the Authority by the Safety Specialist assigned to each area) which is required by law. The OSHA 300A Form will be posted from February 1, 2020 through April 30, 2020.
- Completed the Annual Self-Certification of Compliance - DC Water Hazardous Waste Generator Documents (Ft. Reno Pumping, Bryant Street Pumping Station, Blue Plains Advanced Wastewater Treatment Plant, O Street Pumping Station), along with payments and submitted paper work prior to the March 1, 2020 deadline to the Department of Energy & Environment ATTN: Mary Reeves (DOEE).

Accomplishments (Con't)

- Completed the Tier II reporting requirements and submitted the report for Blue Plains, Swirl Facility, the Anacostia Pumping Station and O Street.
- Coordinated the on-site Prescription Safety glass vendor to visit our major locations (Bryant Street, O Street and Blue Plains) for 3 days for the annual purchase of safety glasses for employees. A March 17, 2020 follow-up visit is scheduled for Blue Plains as a “catch up” for those employees that were unable to attend the prior sessions.
- DOSH attended multiple COVID 19 meetings in their respective areas.
- Completed training on various topics including but not limited to OSHA 501 Authorized General Industry Training, SRS Application, Active Shooter, ICS 100 & 200 Trainings respectively.

Operational Performance

- Attended ROCIP Weekly meetings with Trinity Safety Group and held follow-up on Non-ROCIP projects.
- Completed downloading of data from Phase 1 Health and Hygiene Project (Occupied Areas) off the Indoor Air Quality Meter and posted results on the I Drive.
- Worked with SaLUT to providing a technician that performed Silica sampling for workers using the Microsand feed system in the Chemical Feed room located on Blue Plains.
- Worked with Danny Coates, Main Lab, to find and set aside expired chemicals (12-14 bottles that were expired), which will be picked up by Clean Venture, our Hazardous Waste removal contractor on their next visit.
- Conducted an inspection of the Hazardous Waste Storage and Used Oil areas.
- Worked with Clean Venture to categorize and characterize Hazardous Waste that will be picked up from Blue Plains.
- DOSH continues to work w/ & support various departments on all matters related to safety, health & environmental within the Authority. The following contains some listed example of our engagement;
 - Work key staffers at Bryant Street and Clean Ventures, our Hazardous Waste Disposal Vendor, to drop off additional empty drums at Bryant Street for use.
 - Work with Facilities & contractor on setting up lead inspection in the electrical substation, located behind the CMF Building and in the gallery beneath the Main Pumping station.
 - Work w/ Security & OEM on corrective actions pertaining to the Fire Inspection infractions that were sited recently.

Progress Report

Origami

- Monthly Hours uploaded into SRS/Origami completed for February.
- Move to Live
- Coordinated with Origami and IT to move into live environment
- Partnered with IT to change all public links and updated SSO
- Updated all Share point and guide links
- Communications sent to all user groups
- Responded to tickets/customer service calls

- Held One-on-One with Administrators
- Executive Leadership Inspection completed (created, tested, launched)
- Safety Audit/Inspection project kick-off on February 18th
 - SRS Monthly Stats
 - Closed tasks - 54 (Previous Month)
 - Closed Tickets - 13
 - SRS Training and Meetings - 5 (Previous Month)
- Major System creations and testing to include the following:
 - Mobile Forms Application update to live (Safety)
 - Notifications (Created, updated, tested)
 - Corrective Action guide and posted (DOSH Page, SRS Light User Dashboard)
 - Updated Light user guide and posted (DOSH Page, SRS Light User Dashboard)

News and Events

- Currenting working on the Tier II Forms which are due March 1, 2020
- George Porter and Tameca Miles attended the User Conference held January 13-17, 2020 in San Antonio, TX and networking events.
- SRS Admin to support Safety in the field using app (November – January)
 - OPER – Training held
 - ROCIP
- IT partnership with our Microsoft Liaison to create a Team environment to support system users

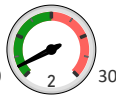

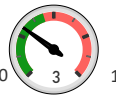
ORGANIZATIONAL PERFORMANCE DASHBOARD (February 2020)

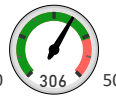
Financial Highlights



Net Operating Cash (\$tho)		Operating Revenue (\$m)		Operating Expenses (\$m)		Capital Disbursement (\$m)		Operating Cash Bal (\$m)	
Actual	86,318.00	Actual	312.00	Actual	220.30	Actual	128.10	Actual	222.40
Target	46,581.00	Target	303.80	Target	238.20	Target	199.10	Target	180.00

Core Invest Yield (%)		Short Term Invest Yield (%)		Delinquent Acct Receivables (%)		On-time Vendor Payments (%)	
Actual	2.35	Actual	1.40	Actual	2.08	Actual	96.50
Target	0.95	Target	1.48	Target	3.00	Target	97.00

Operations and Engineering Highlights






Lead Concentration (ppb) 	Total Coliform Rule (%) 	Biosolids Production (wet tons) Actual 429	Total Nitrogen (lbs/yr mil) 
--	---	---	---

Plant Influent Flow (gal mil) 	Excess Flow (gal mil) 0	Water Main Leaks 28	Water Valve Leaks 1
---	-----------------------------------	-------------------------------	-------------------------------

Fire Hydrants Insps. And Maint. 287	Fire Hydrants out of Service 49 	Fire Hydrants Replaced (YTD) 34 	Non-revenue Water (CCF Mil) Purchased 11.36 Sold 8.30
---	---	---	--

Sewer Main Backups 8	Sewer Lateral Backups 127	Dry Weather CSO 0	Permits Processed within SLA (%) 90	Electricity Usage (Kwh) 20819
--------------------------------	-------------------------------------	-----------------------------	---	---

Customer Experience Highlights

Call Center Performance Actual 85%  Target 85%	Command Center Performance Actual 88%  Target 85%	First Call Resolution Target 75% 	Emergency Response Time Actual 3%  Target 90%  (% of calls received)
--	---	--	---

Low Income Assistance Program Highlights

SPLASH Contributions (\$tho) Actual 29.39 Target 33.35	Customer Assist. Program (\$tho) Current 110.45 Previous 122.38
---	---

People and Talents Highlights

Recruitment Activity	
Filled	5
Open	61

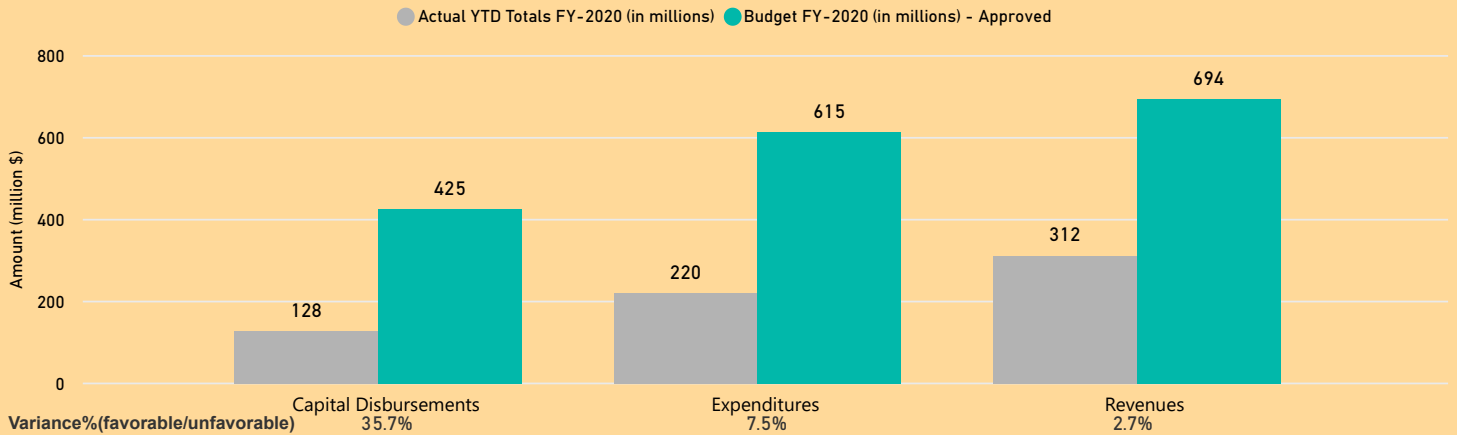
Administration Highlights

Employee Lost Time Incidence Rate	
	0.40%

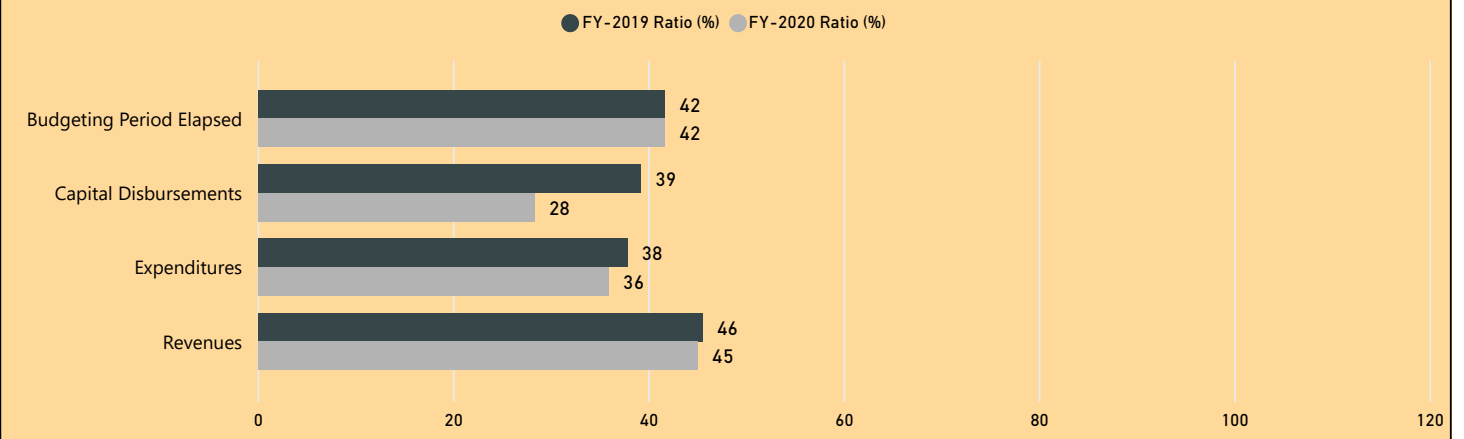
FINANCIAL HIGHLIGHTS

Financial Performance Summary

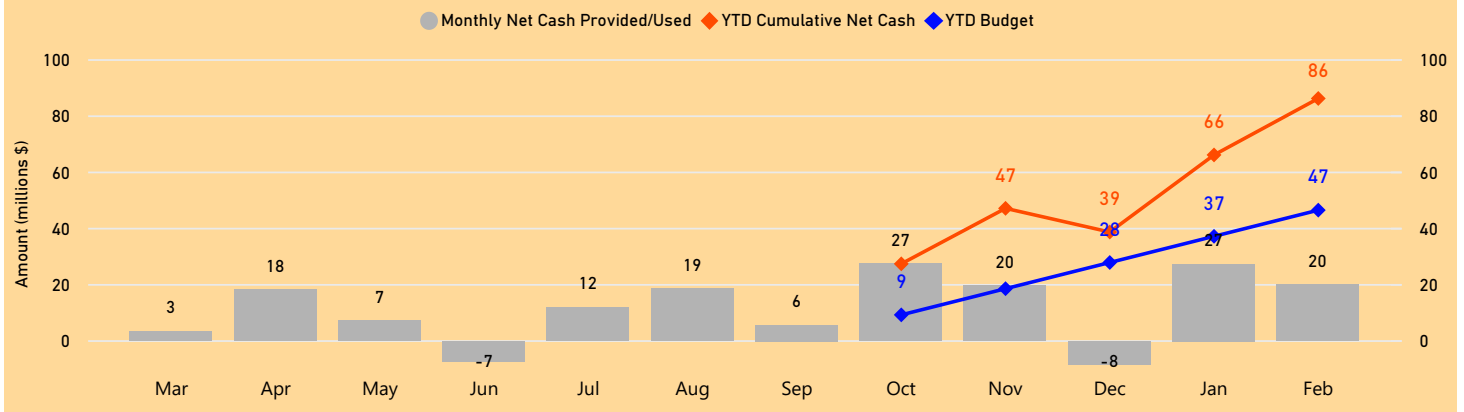
Revenue, Expenditure, and Capital Disbursement



Year to Date Analysis



Net Operating Cash

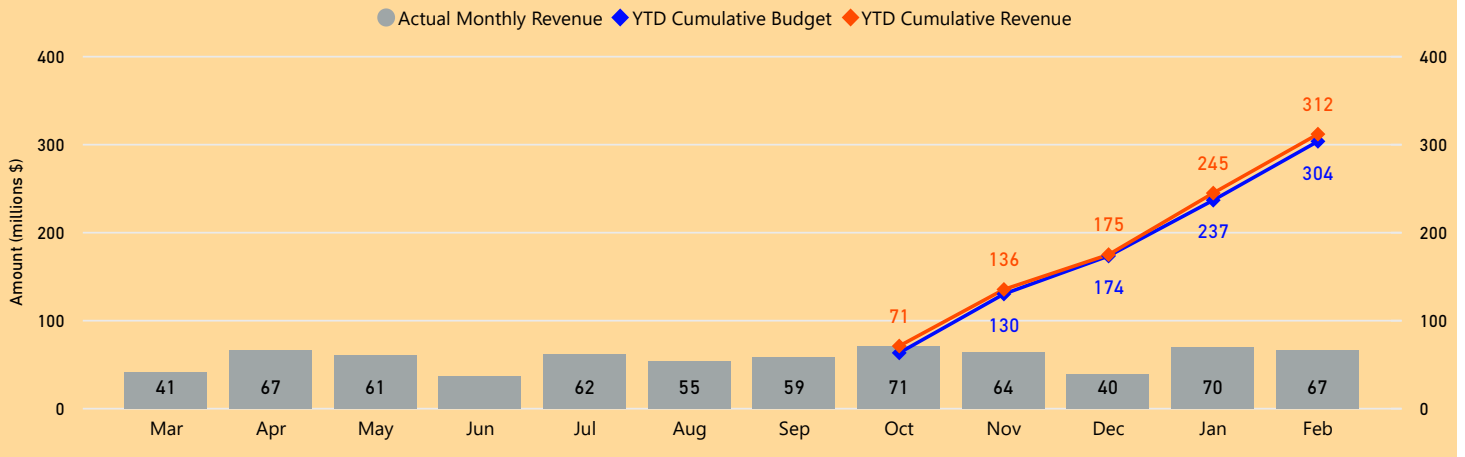


Net cash to date for February was above budget by \$39.7 Million

FINANCIAL HIGHLIGHTS

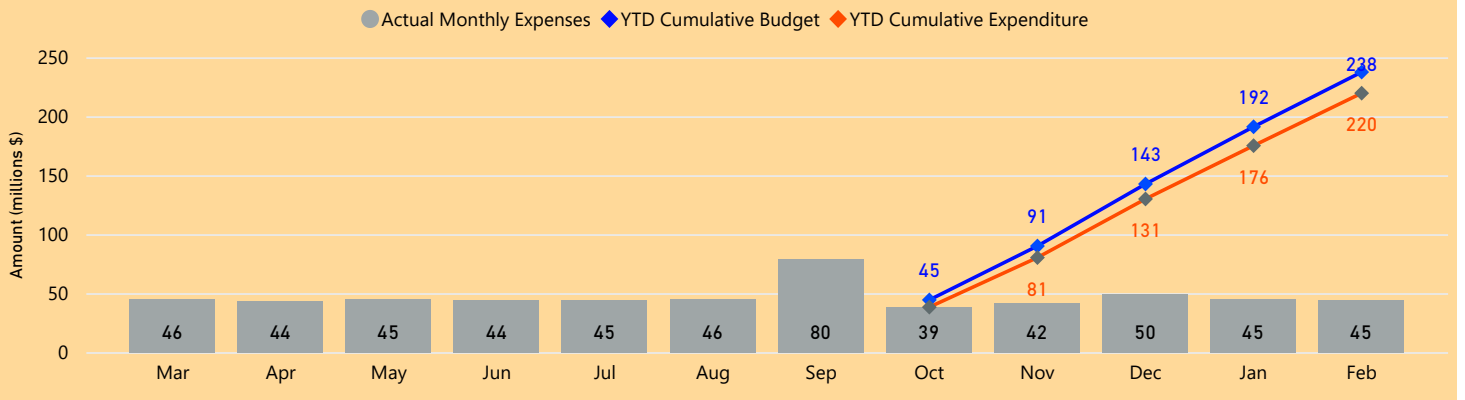
Revenues & Operating Expenses

Operating Revenues



Revenue to date for February was above budget by \$8.2 Million

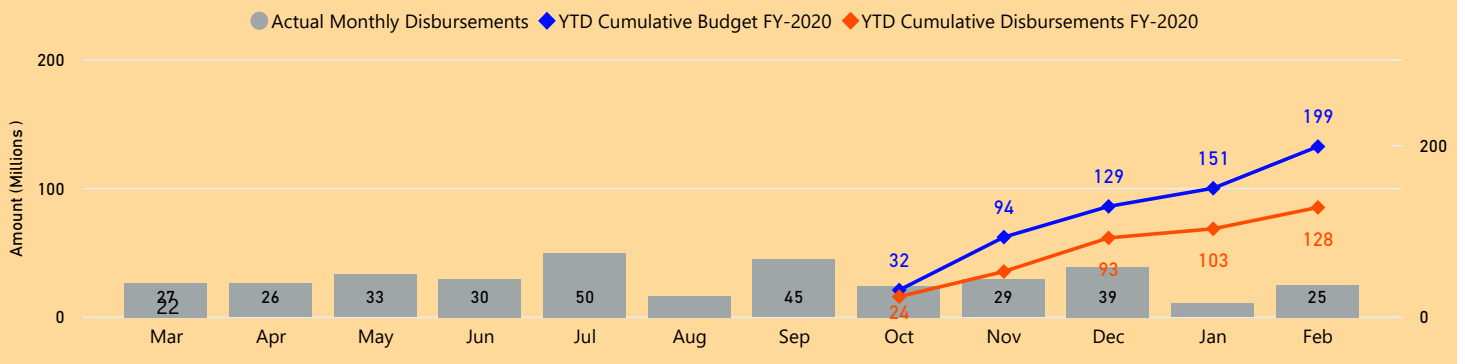
Operating Expenses



Expenditure to date for February was below budget by \$17.9 Million

Capital Spending

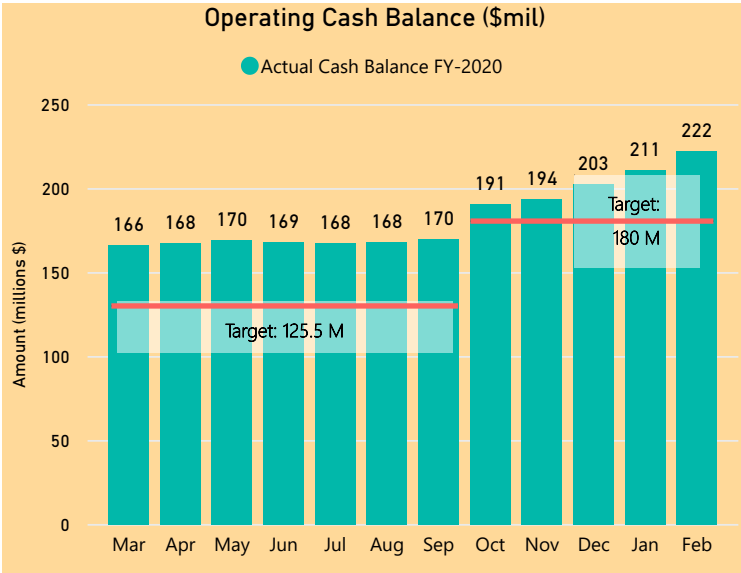
Capital Disbursement



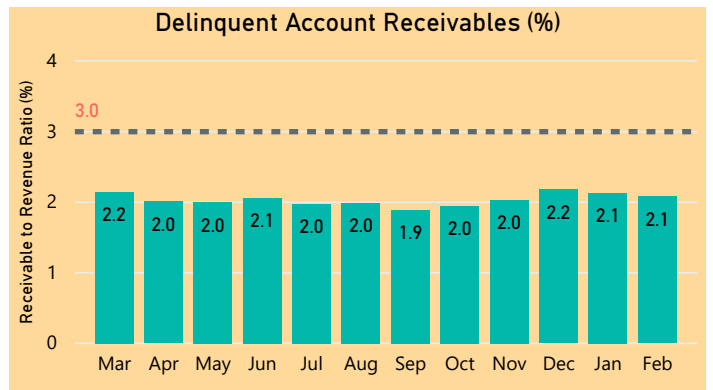
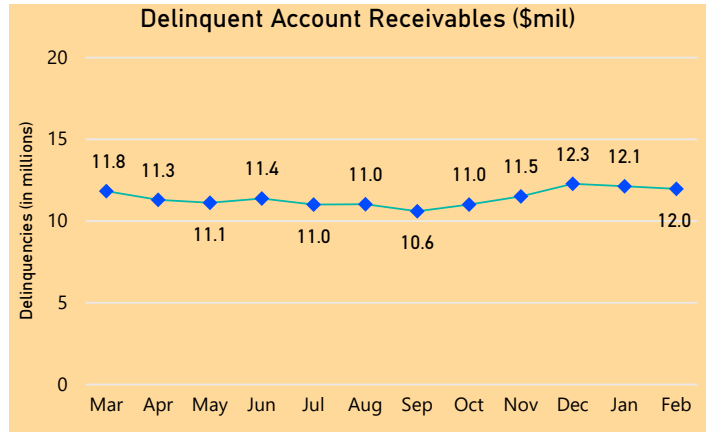
Disbursements to date for February was below budget by \$71.0 Million. YTD spending reflects comparison to the revised budget.

FINANCIAL HIGHLIGHTS

Operating Cash & Receivables

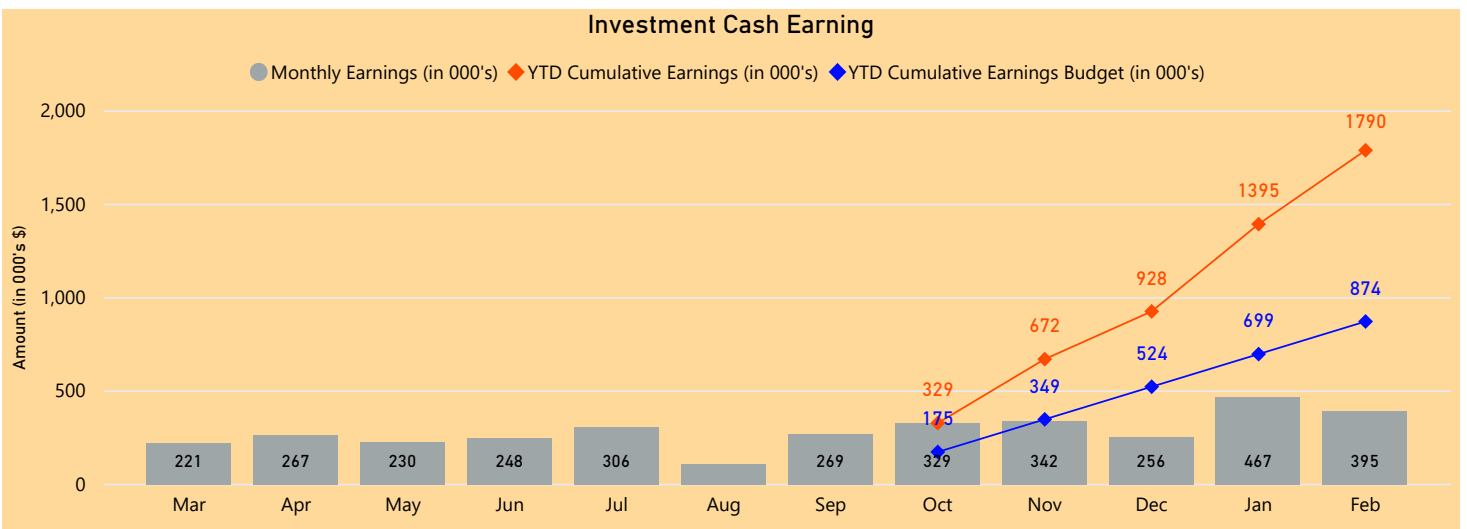


Cash Balance for February was above target by \$42.4 million



February Receivables to Revenue Ratio is 2.08, Delinquency is 11.97 million.

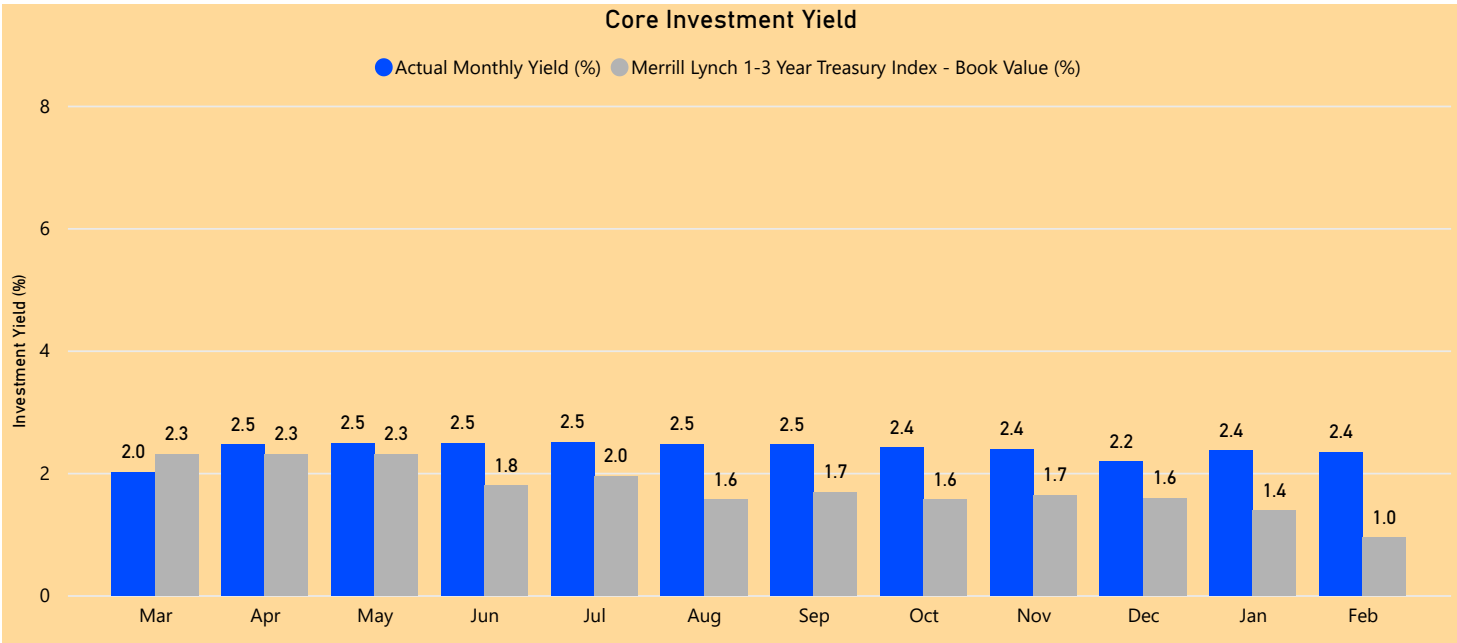
Investment Earnings



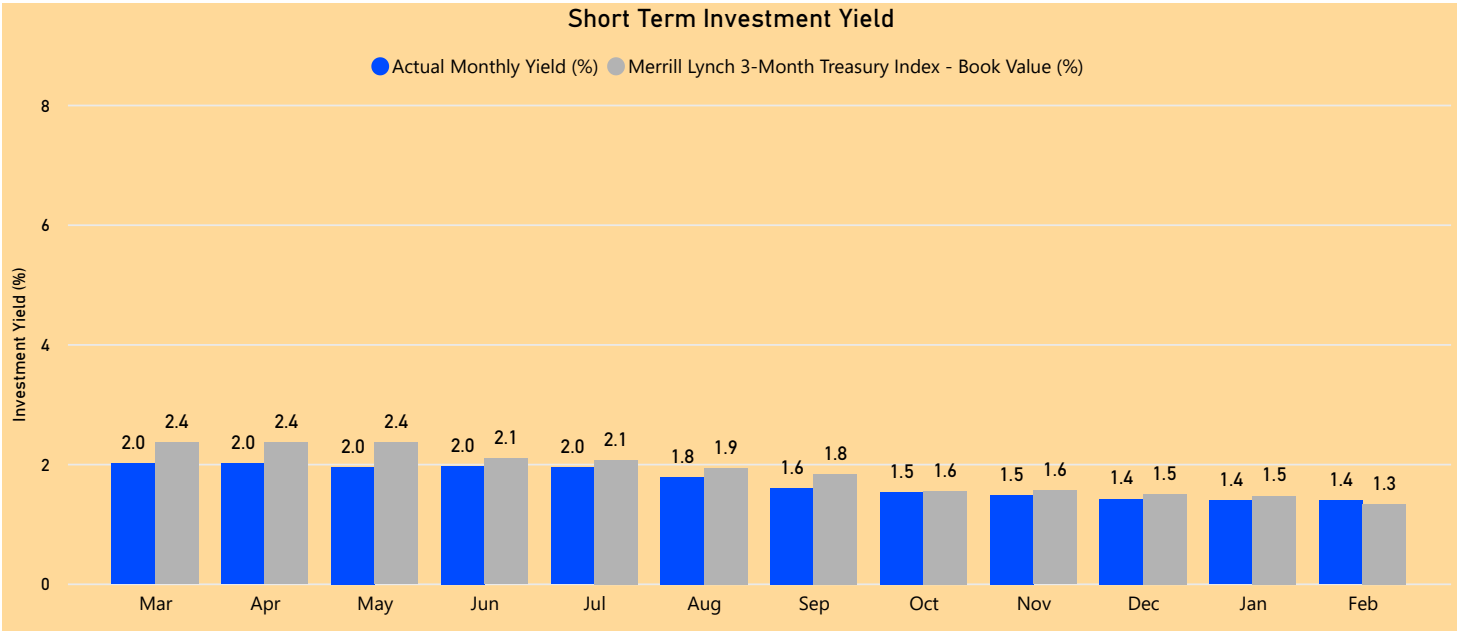
Earnings to date for February were above Projected Budget by \$916,903.

FINANCIAL HIGHLIGHTS

Investment Yields



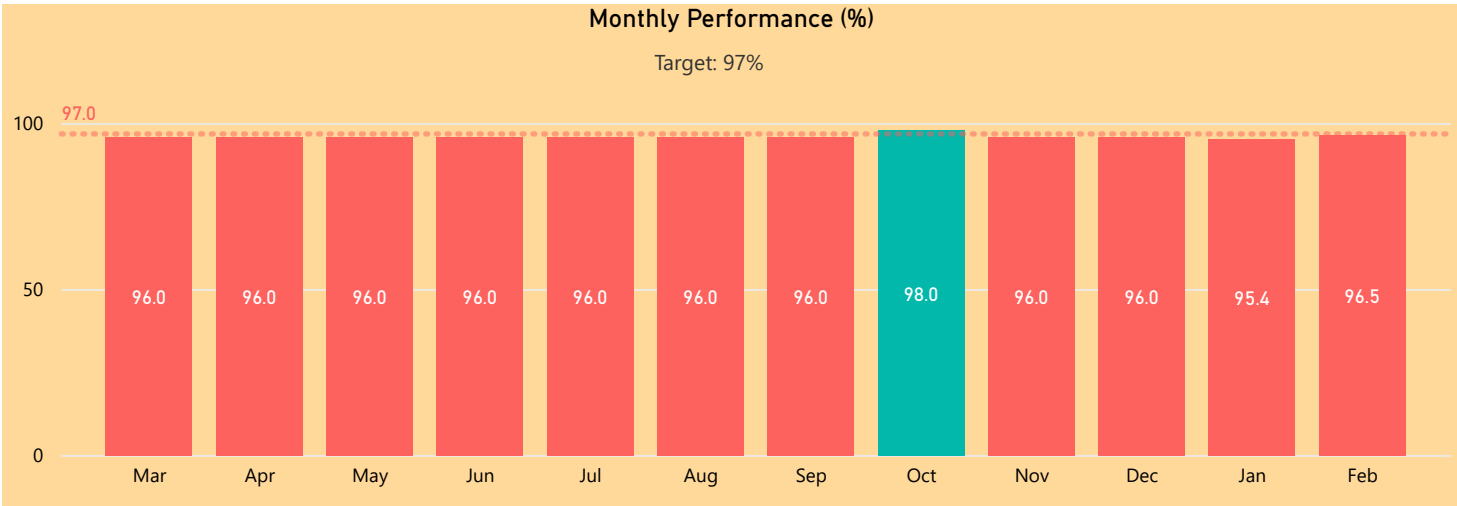
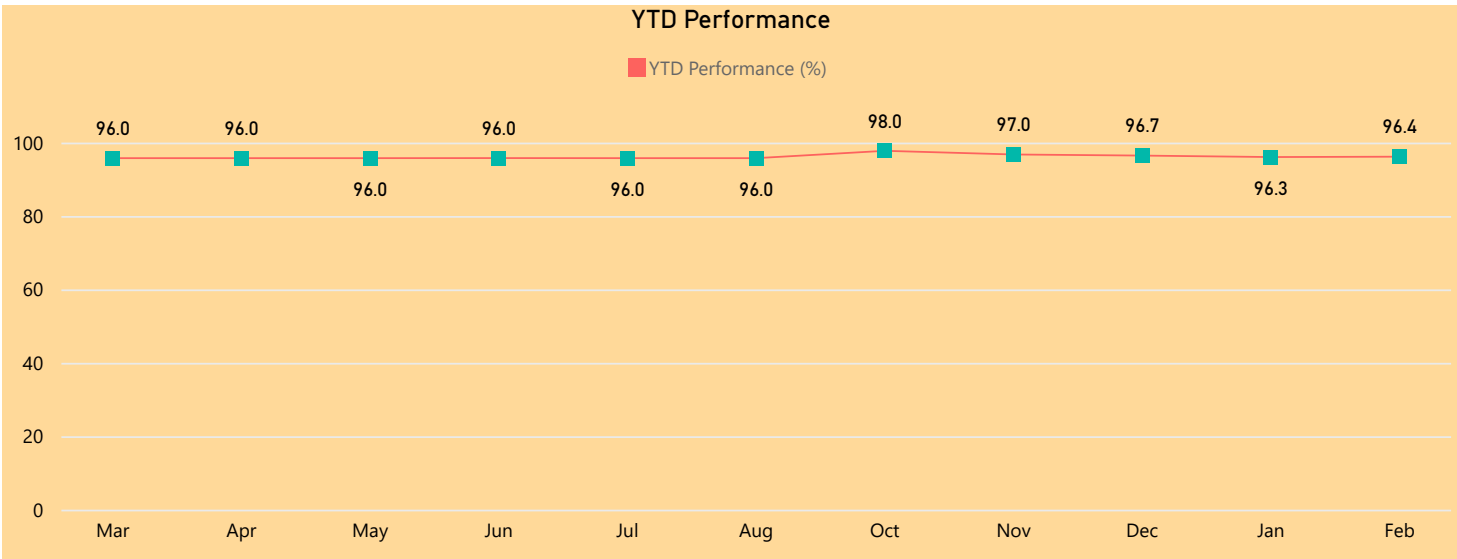
Yield for February was more than the treasury index by 1.40%



Short Term Yield for February was more than the Merrill Lynch yield by 0.06%

FINANCIAL HIGHLIGHTS

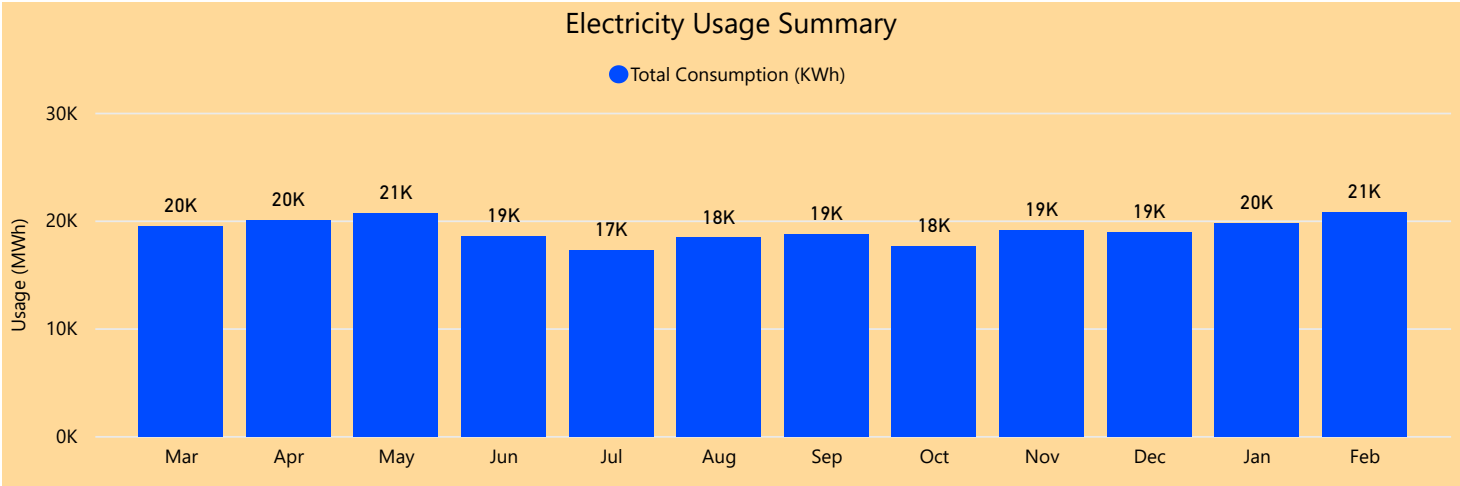
Vendor Payments



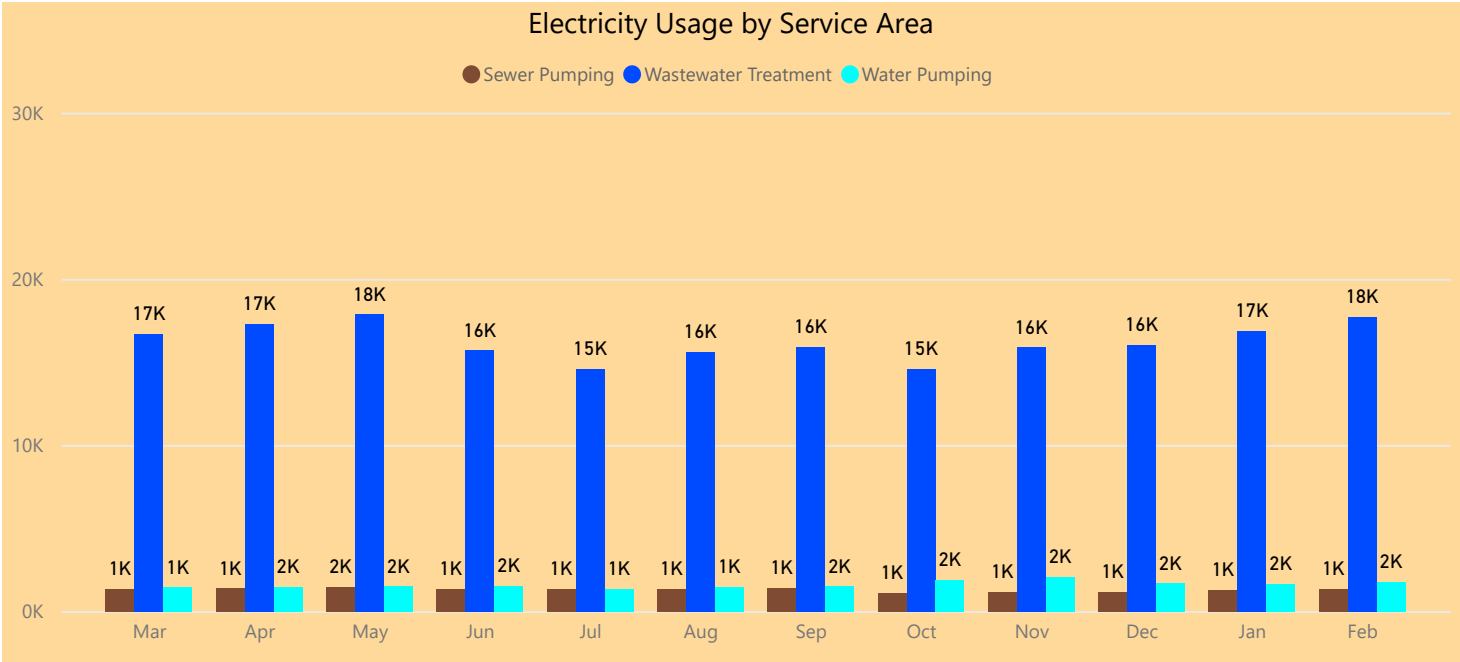
Performance for February was below the monthly target by 0.5%

OPERATIONS AND ENGINEERING

Energy Consumption



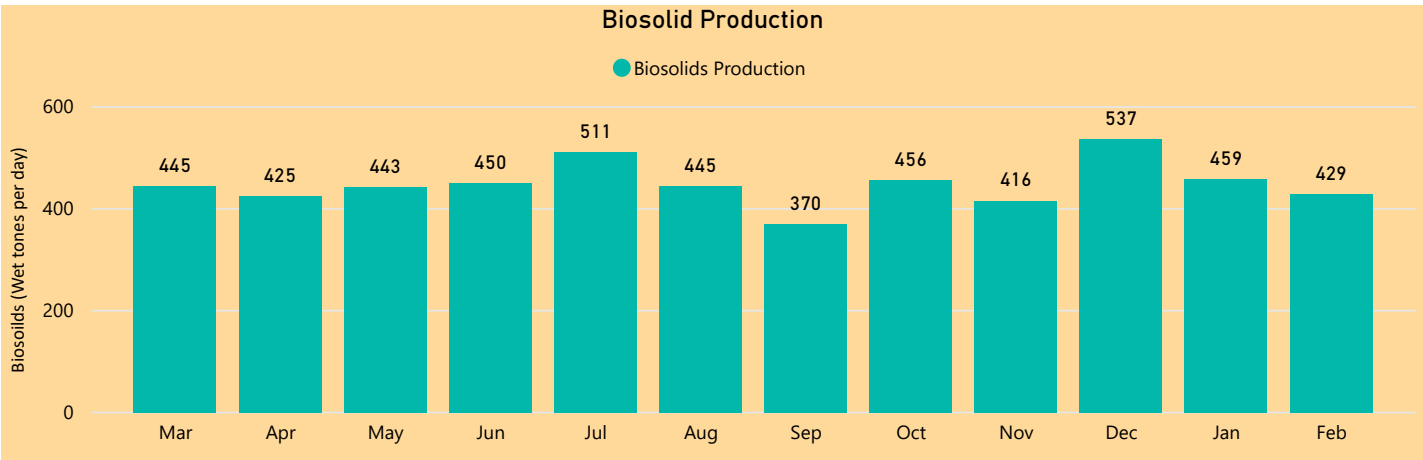
Electricity Consumption in February was 20,819 KWh



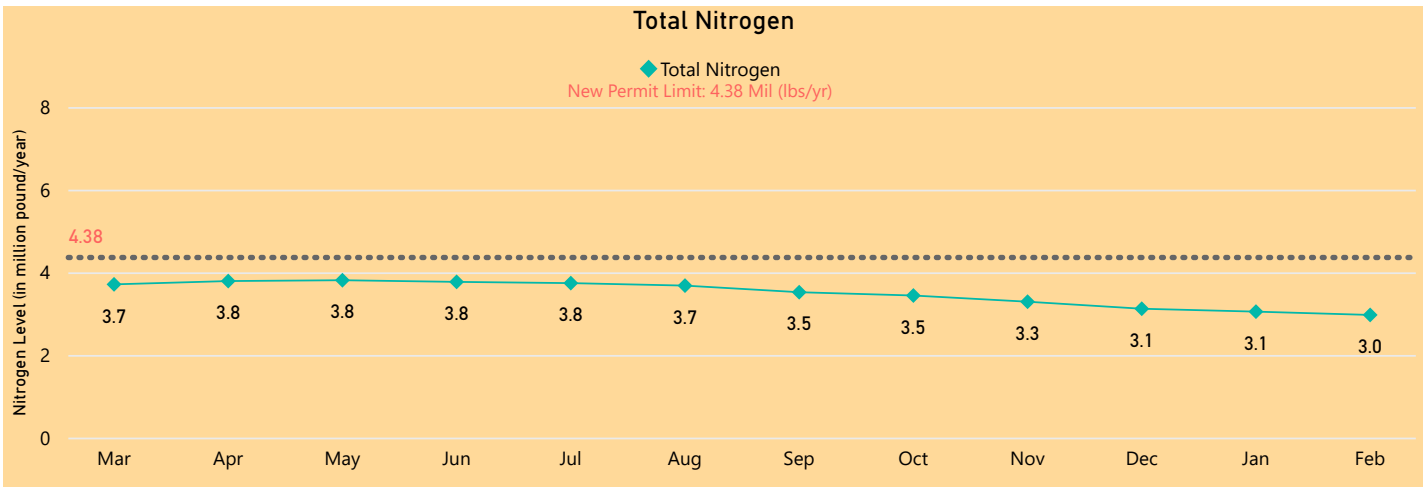
Wastewater Treatment had the highest electricity consumption in February at 17,713 KWh

OPERATIONS AND ENGINEERING

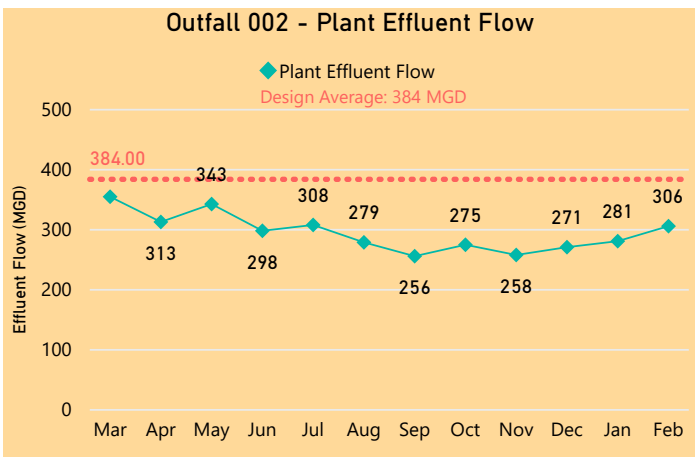
Wastewater Treatment



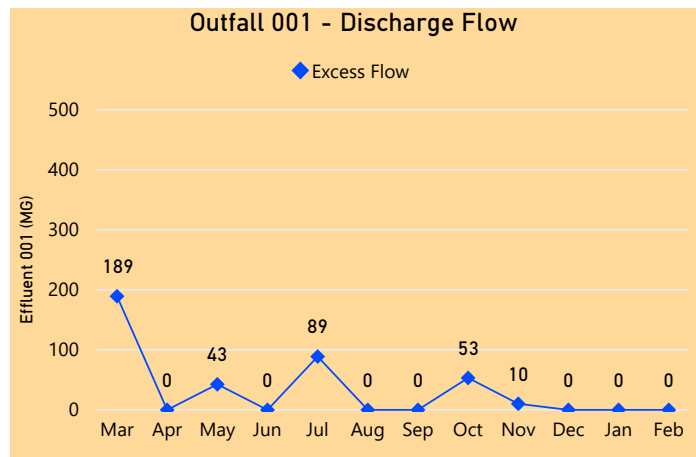
Biosolids Daily Production for February were 466 wet tons per day



Nitrogen level for February were below permit by 1.31 million lbs/yr



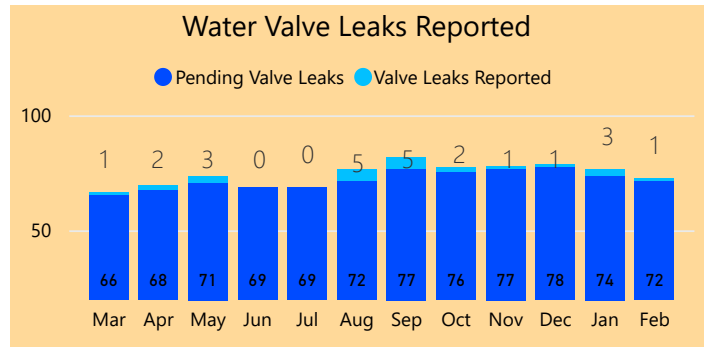
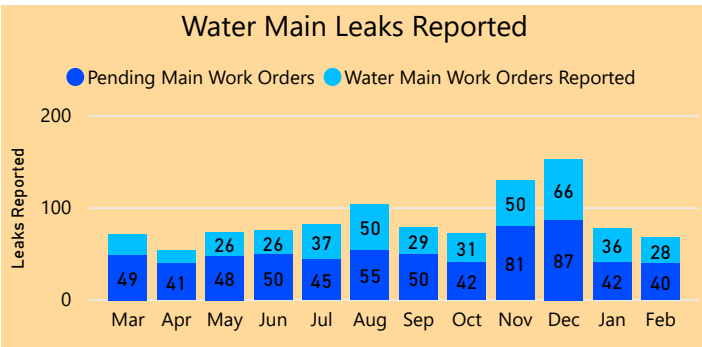
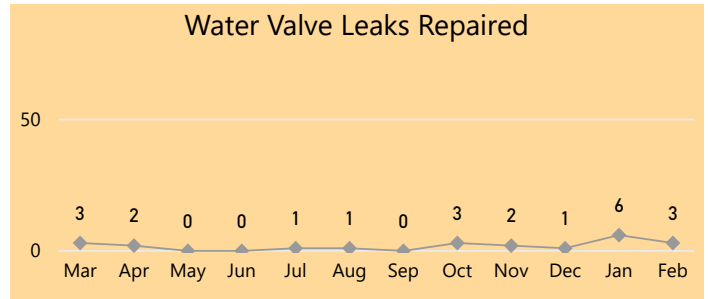
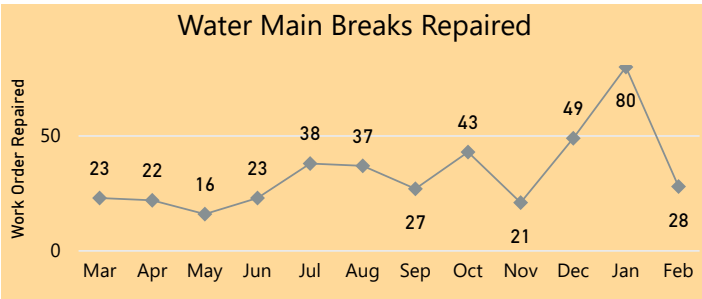
In February effluent flow was below design by 103 MGD



Excess flow events were recorded at 0 MG in February

OPERATIONS AND ENGINEERING

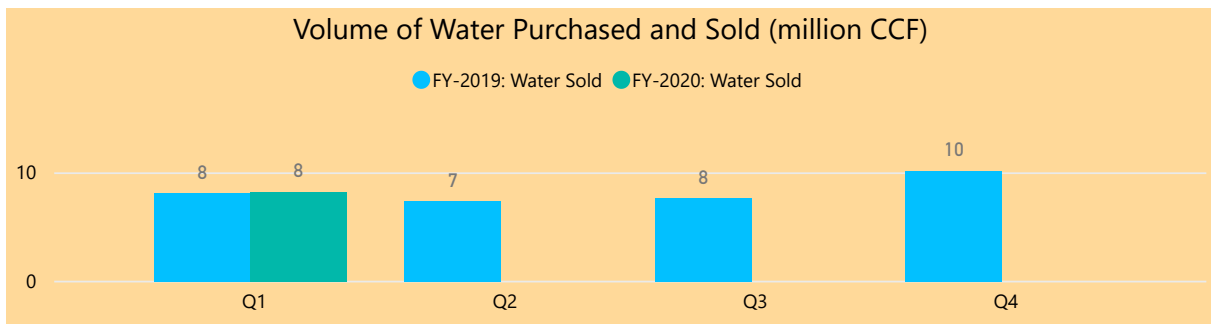
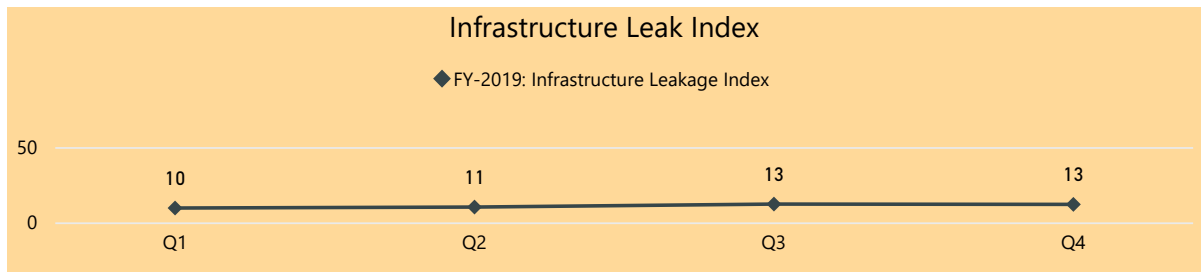
Water Distribution Operations



There were 28 Water Main Work Orders reported in February.

3 leak was resolved in February.

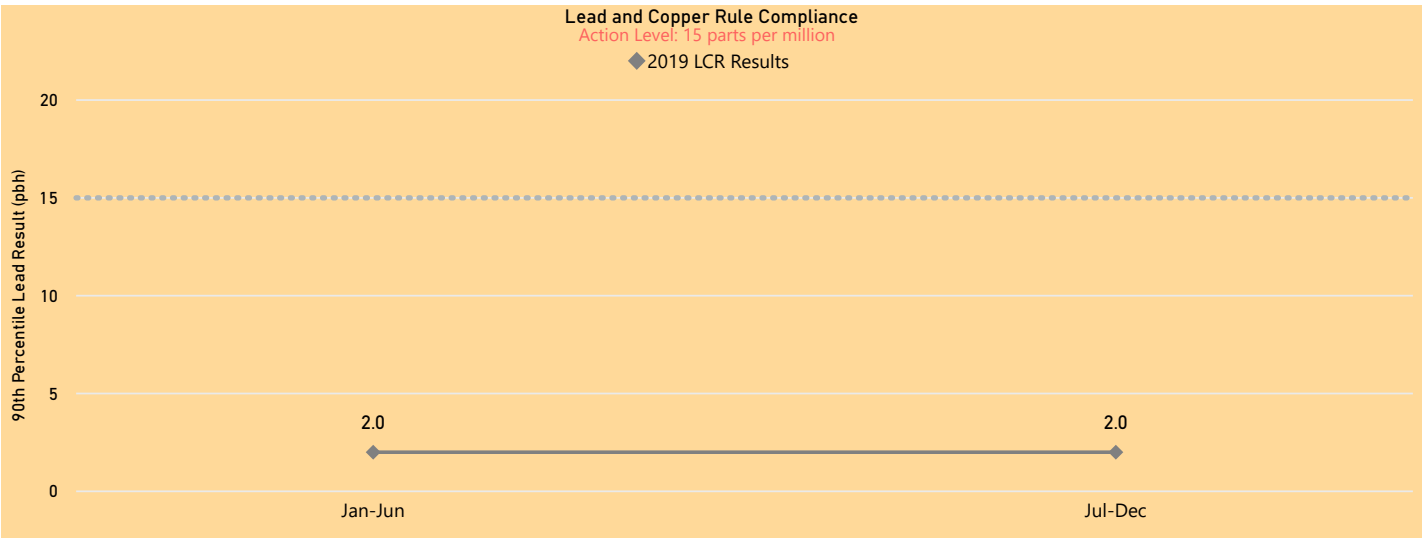
Water Balance



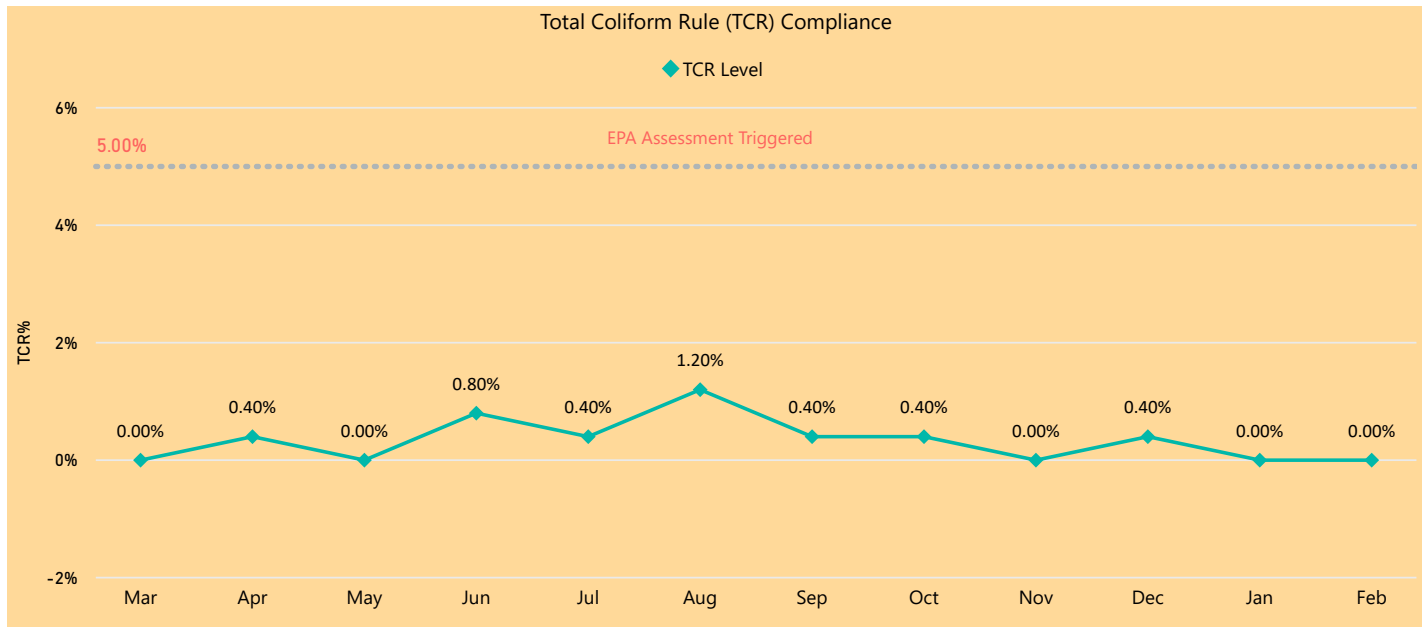
In the 1st quarter of FY 2020, 8.30 out of 11.36 million cubic feet of water was sold

OPERATIONS AND ENGINEERING

Drinking Water Quality



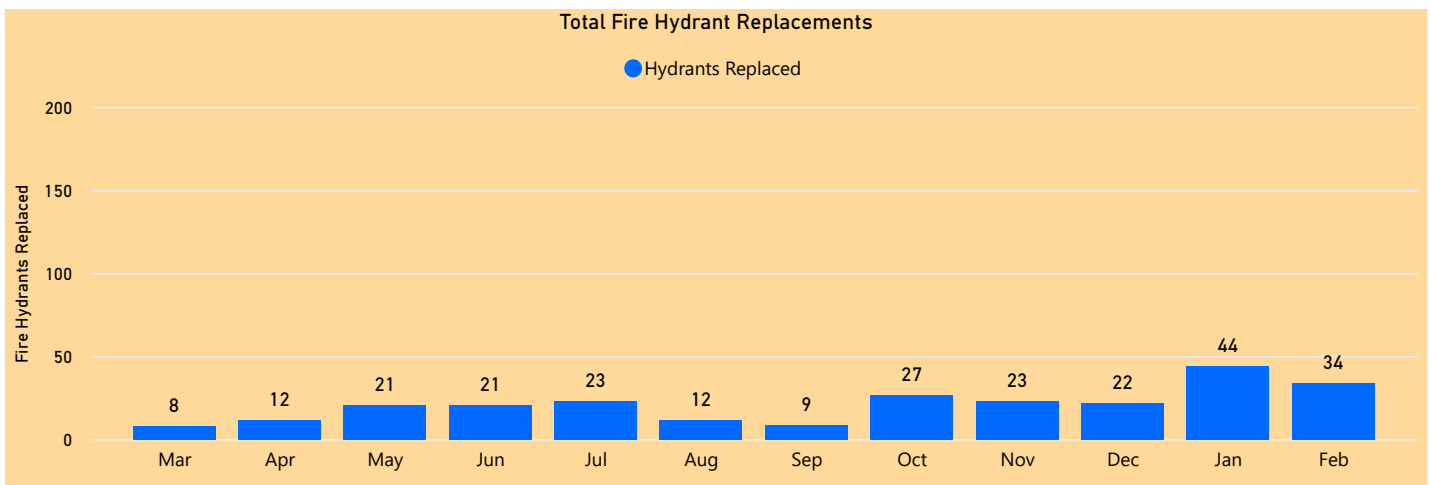
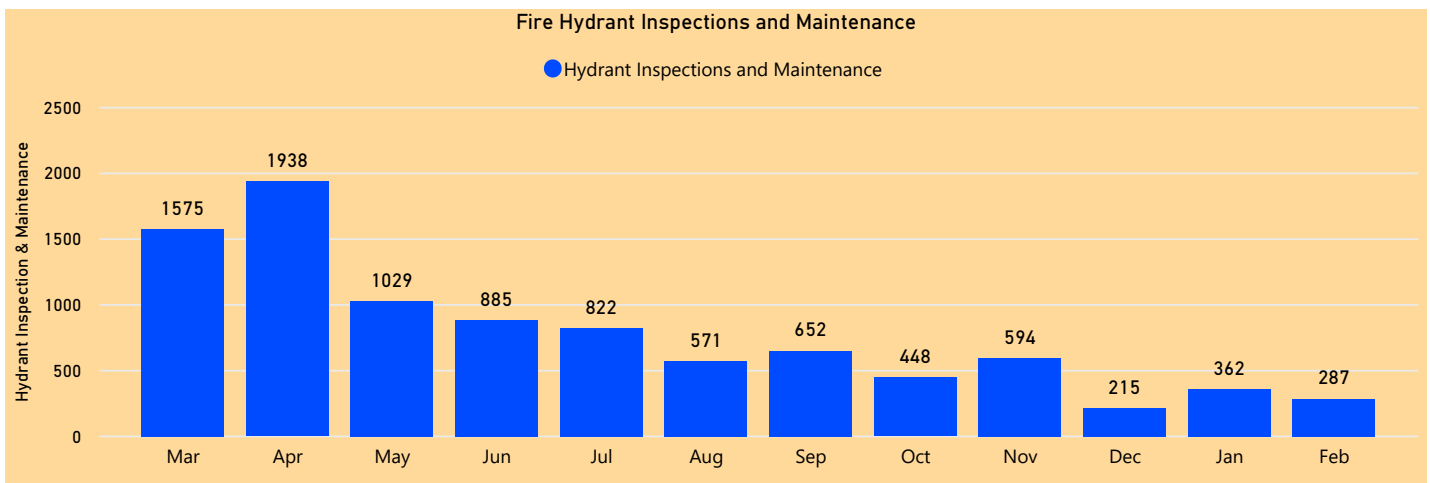
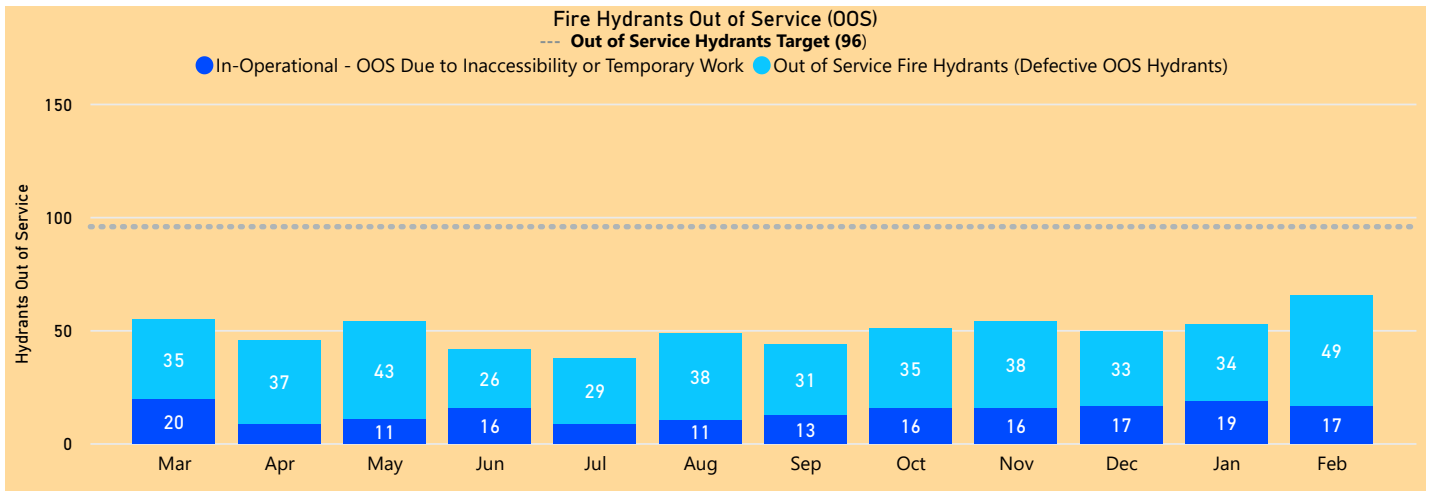
90th percentile for 1st semester 2020 is pending



Coliform Positive was recorded at 0% in February

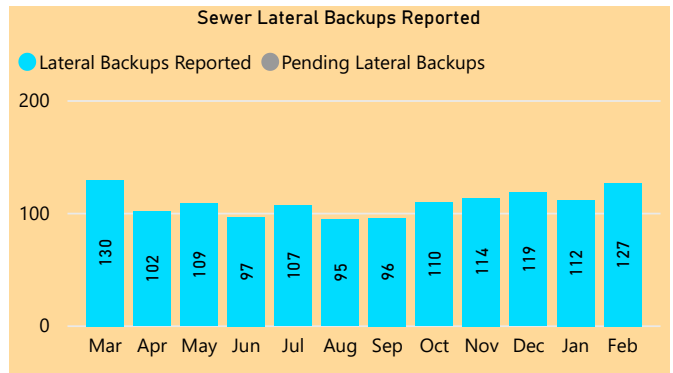
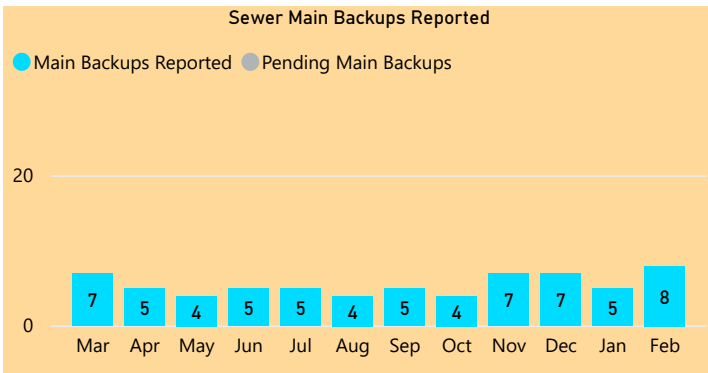
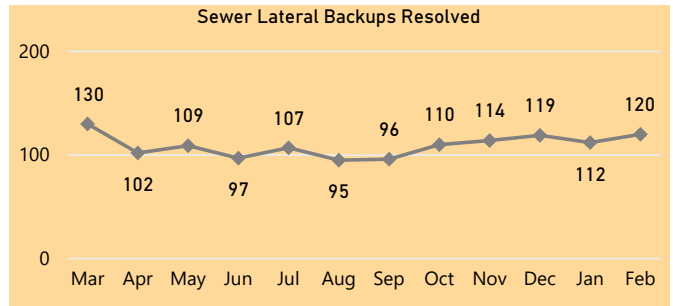
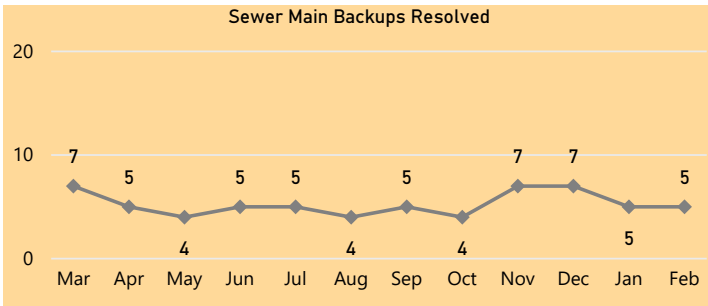
OPERATIONS AND ENGINEERING

Fire Hydrants



OPERATIONS AND ENGINEERING

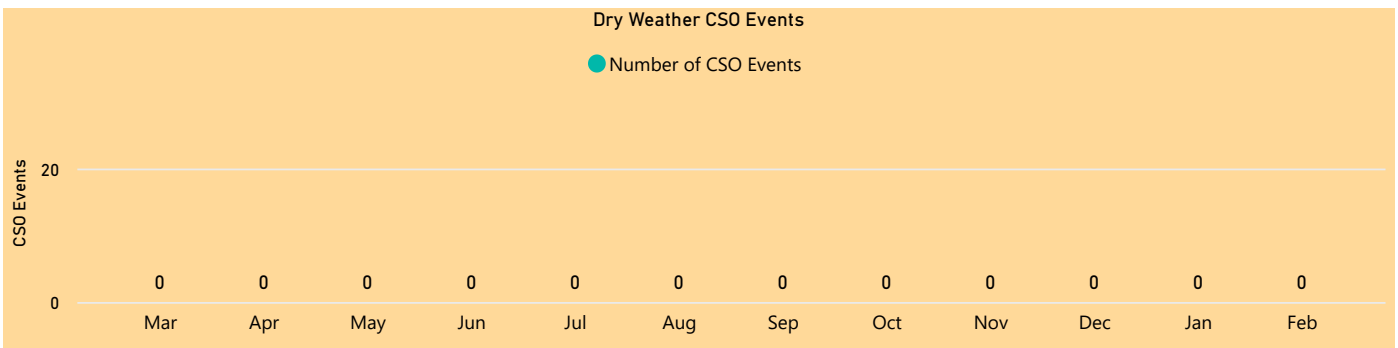
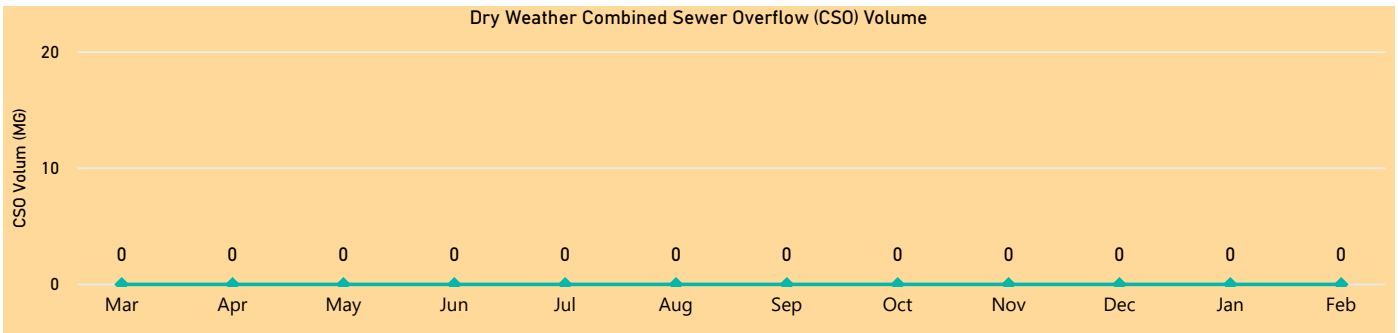
Sewer System Operations



No pending main backups reported

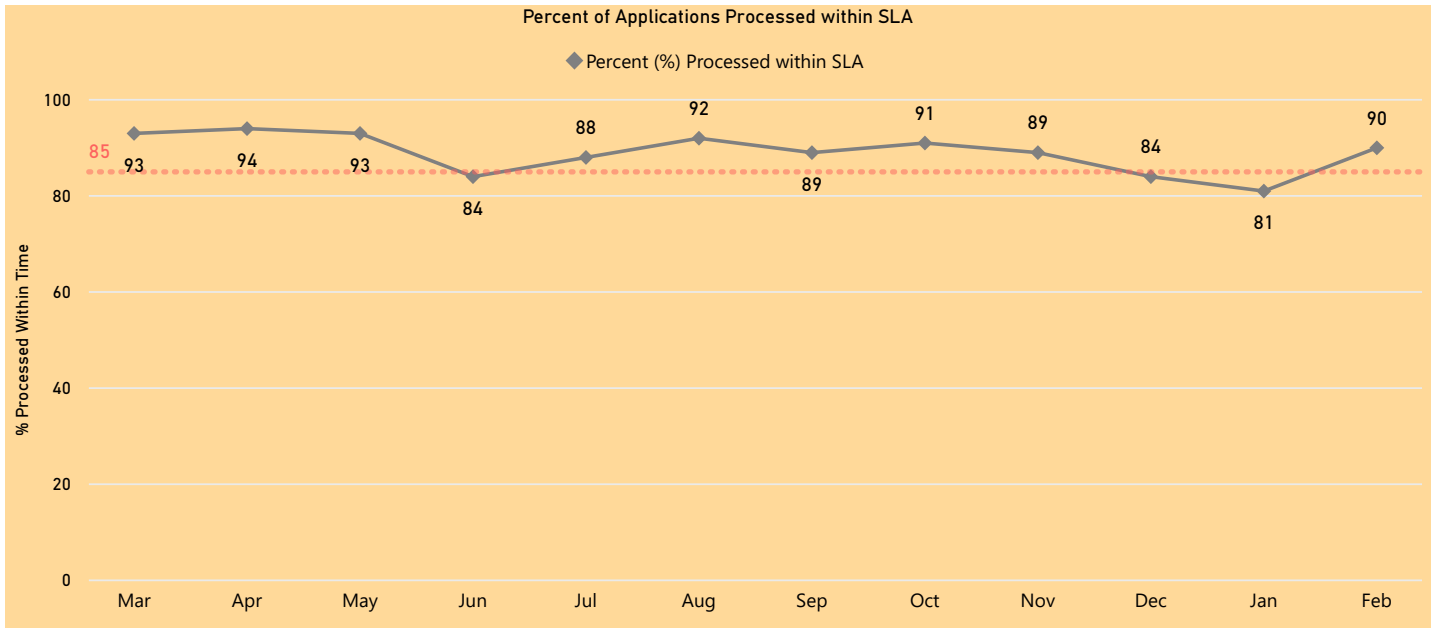
No pending lateral backups reported

Combined Sewer System

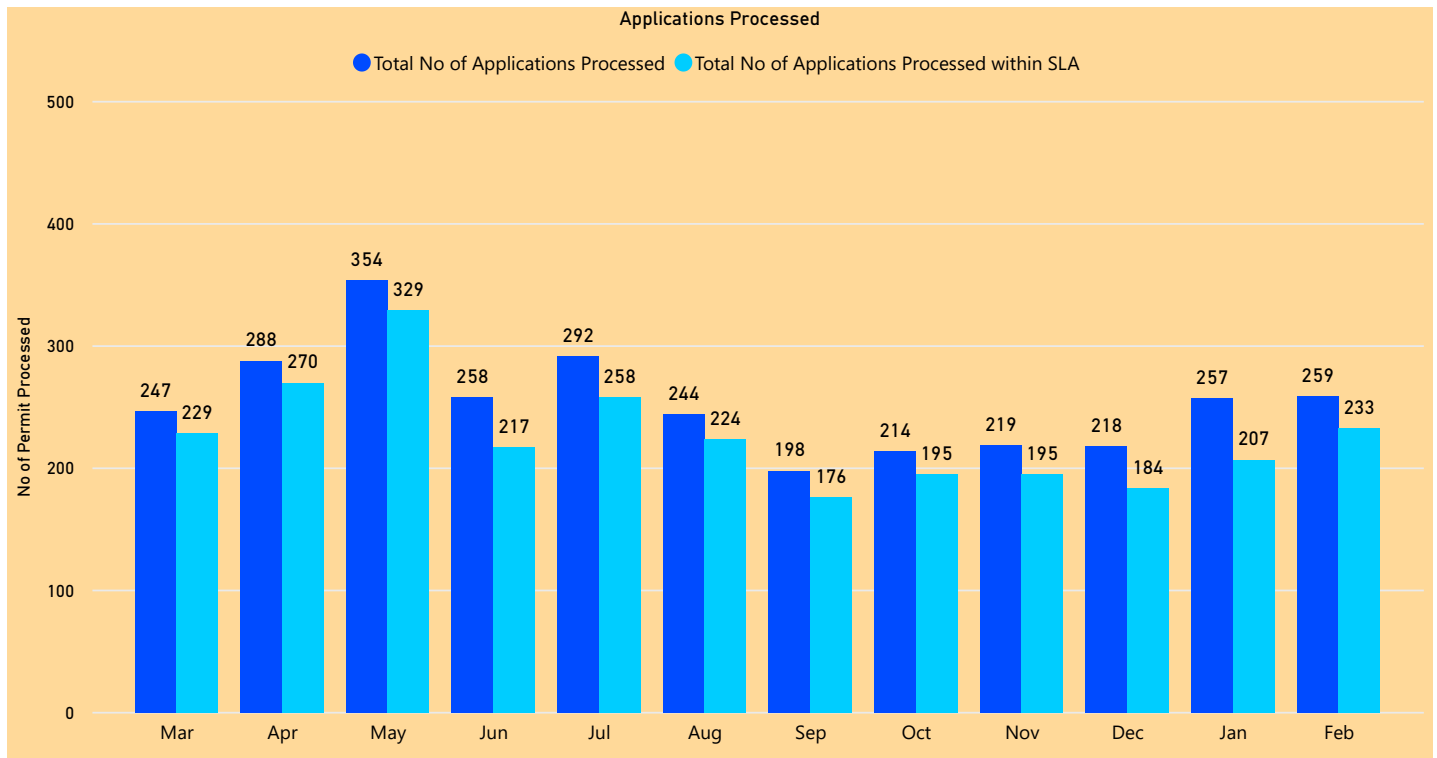


OPERATIONS AND ENGINEERING

Permit Processing

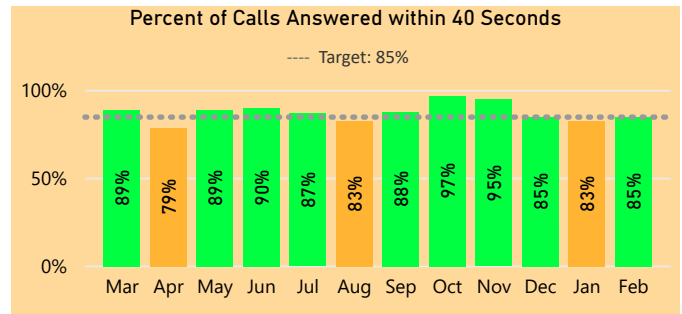
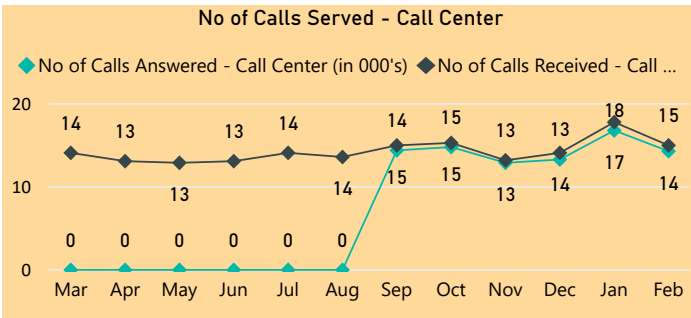


Permits processed in February were 5% above the SLA target of 85%



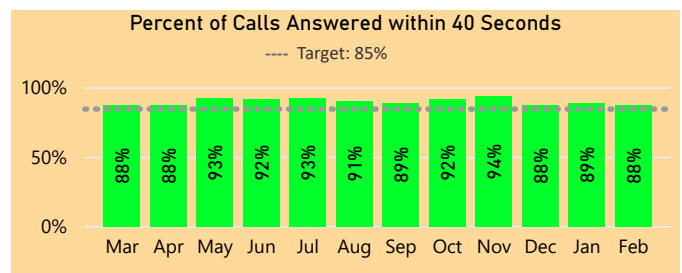
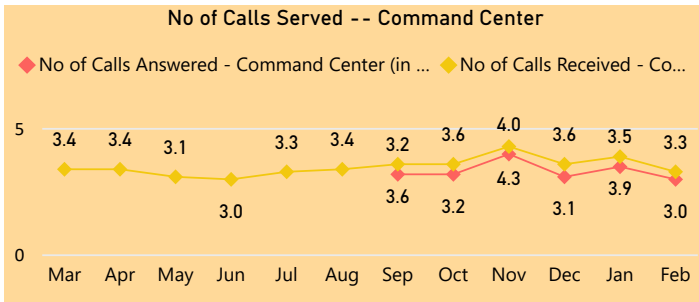
CUSTOMER EXPERIENCE

Customer Care - Call Center Performance



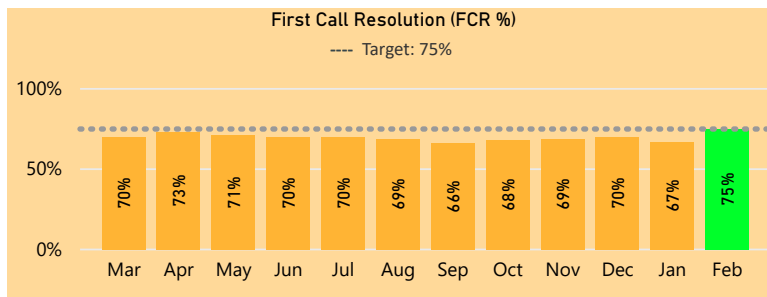
Performance for February was on target.

Customer Care - Command Center Performance



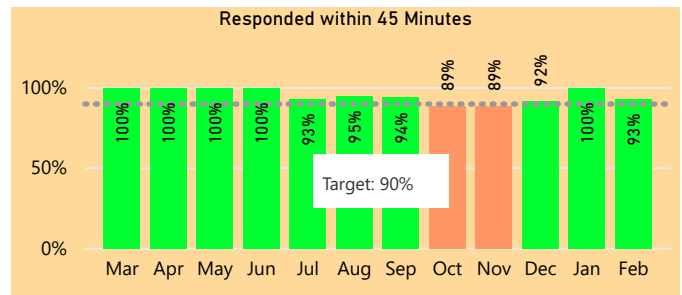
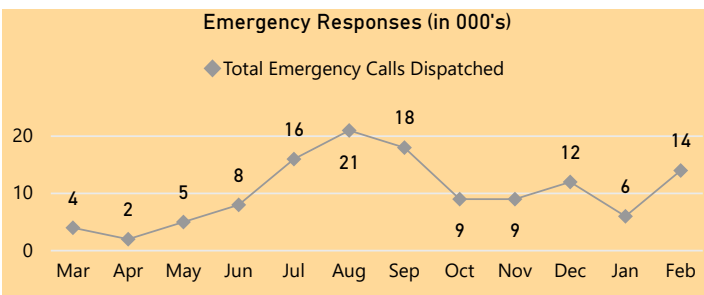
Performance for February was above target by 3%.

Customer Care - First Call Resolution



Performance for February was on target.

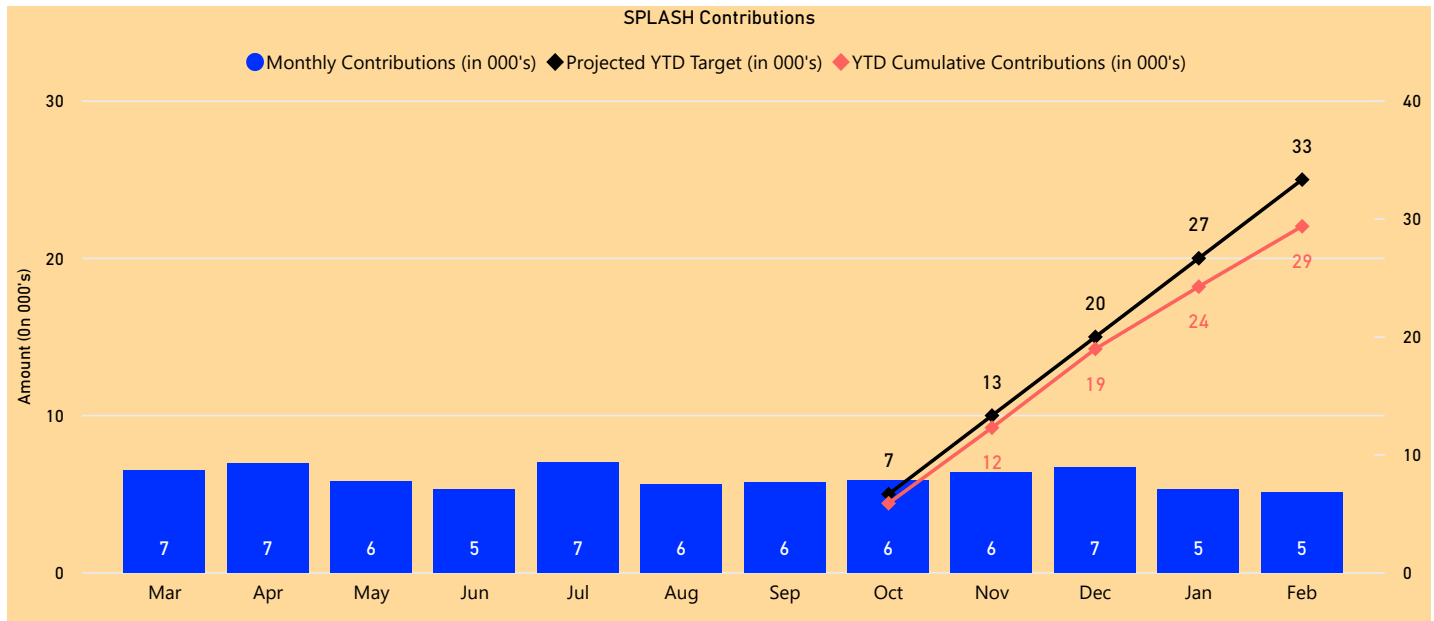
Customer Care - Emergency Response Time



Performance for February was above target by 3%

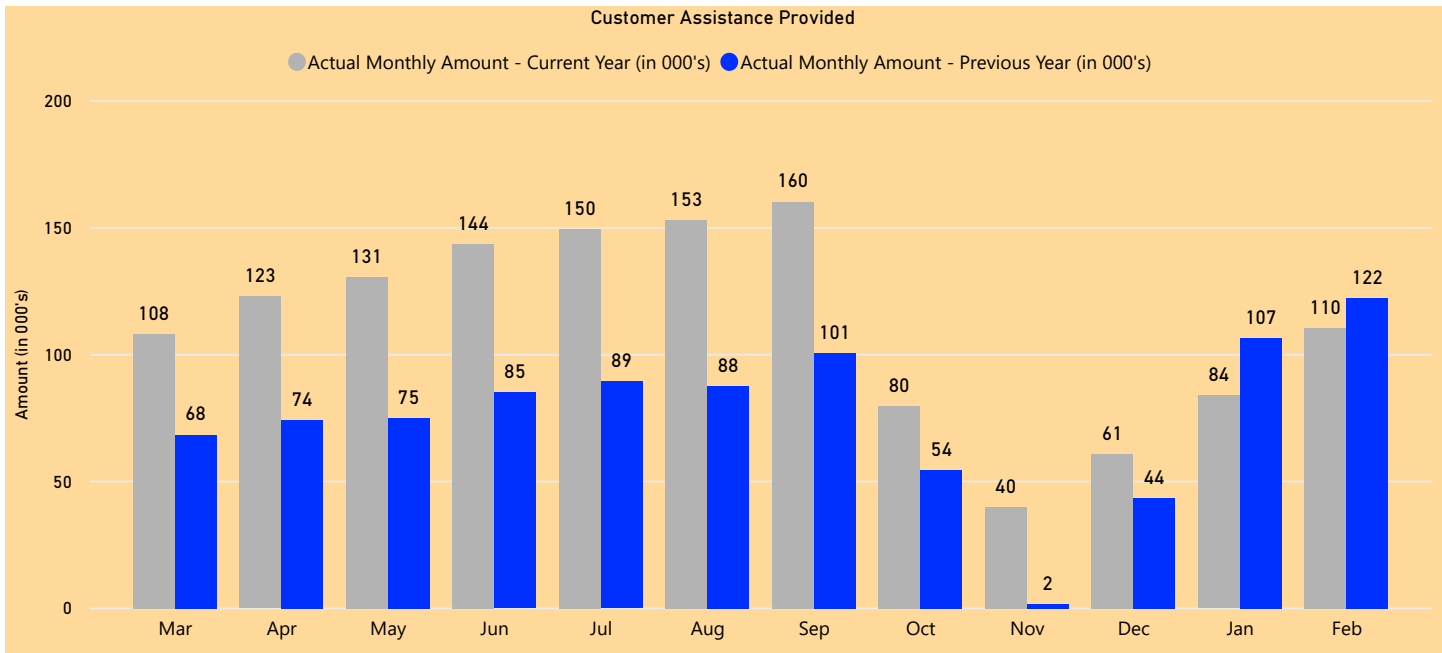
LOW INCOME ASSISTANCE PROGRAM

SPLASH Program



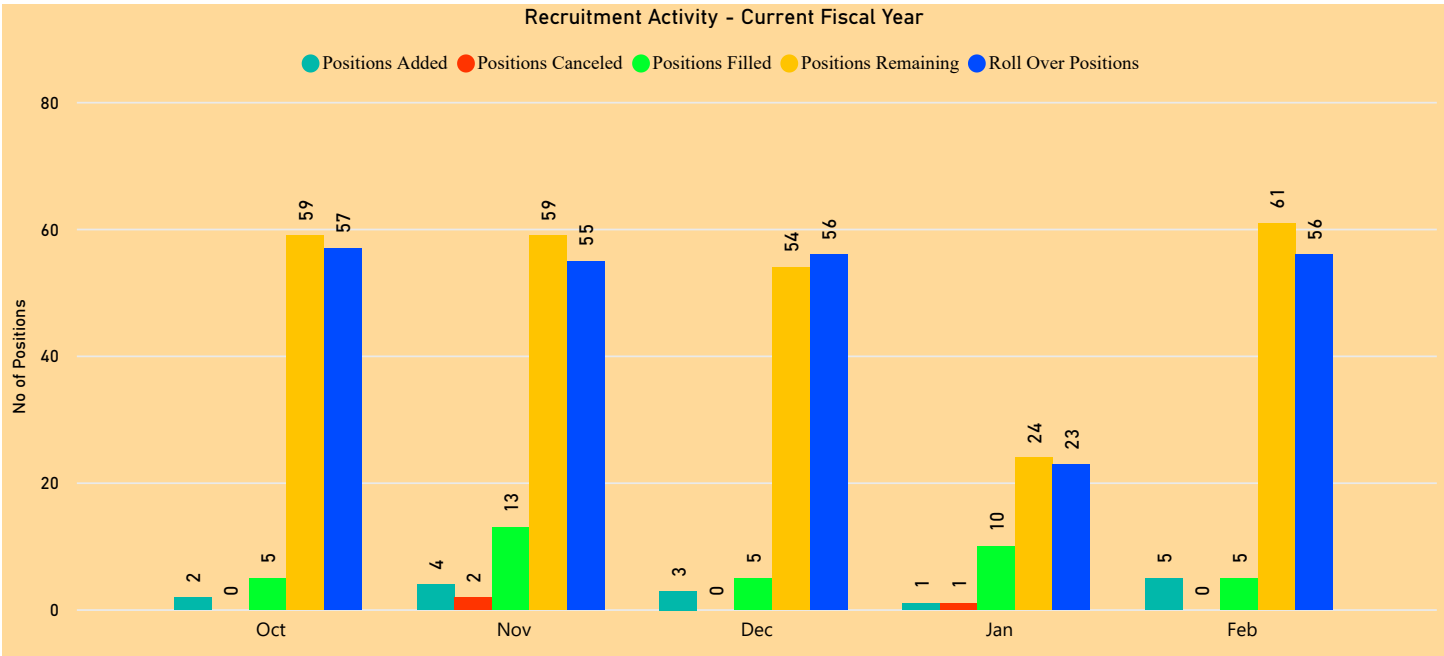
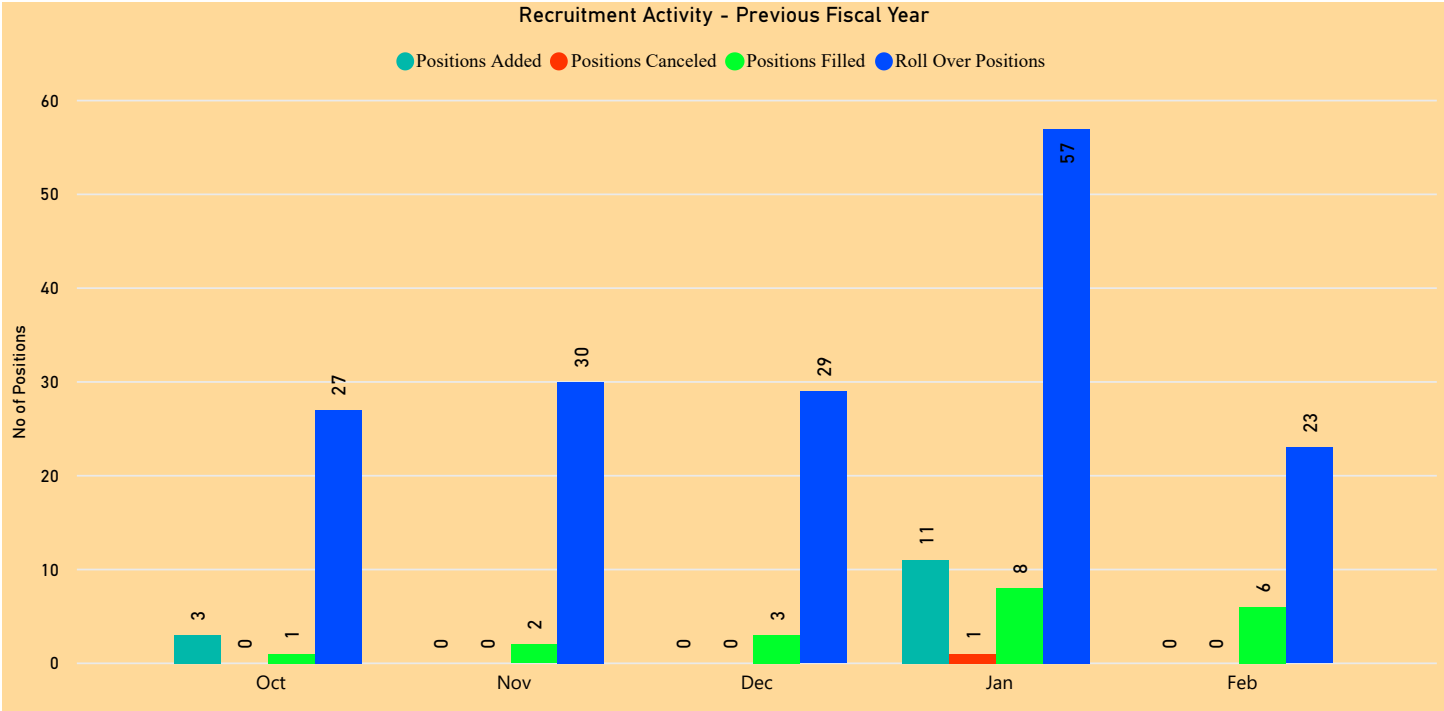
Total SPLASH Contributions to date for February was below target by 1.55

Customer Assistance Program (CAP)



PEOPLE AND TALENT

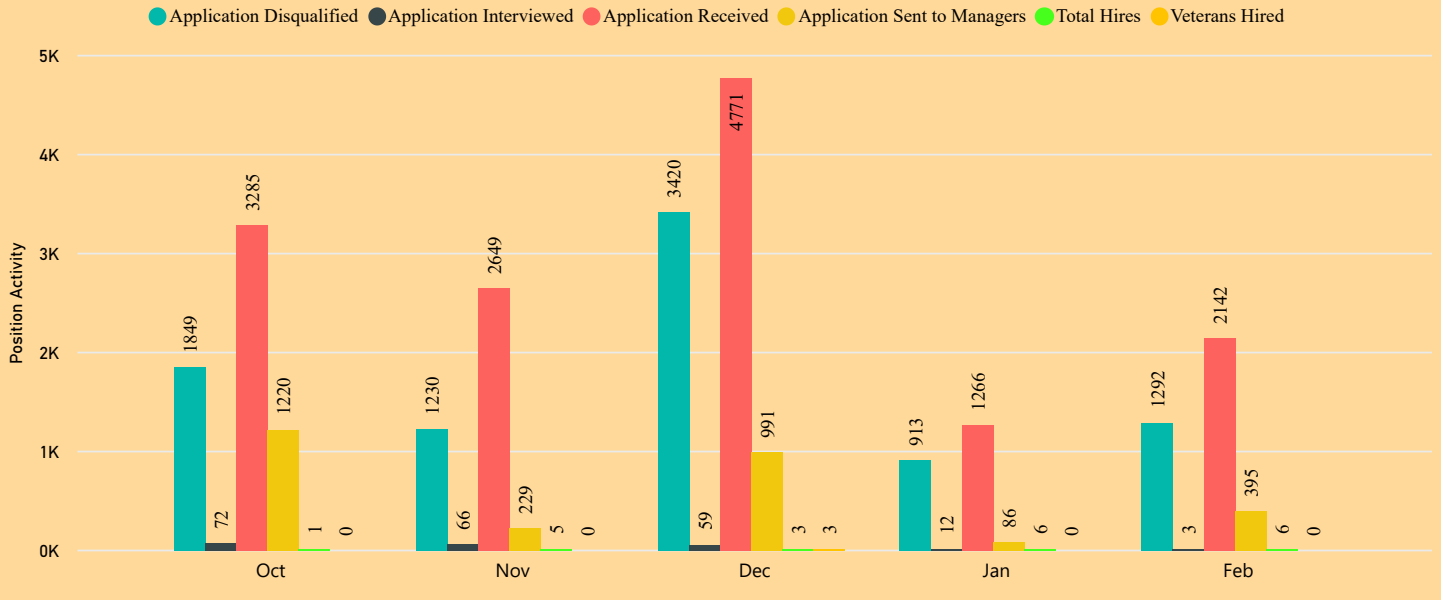
Human Resources



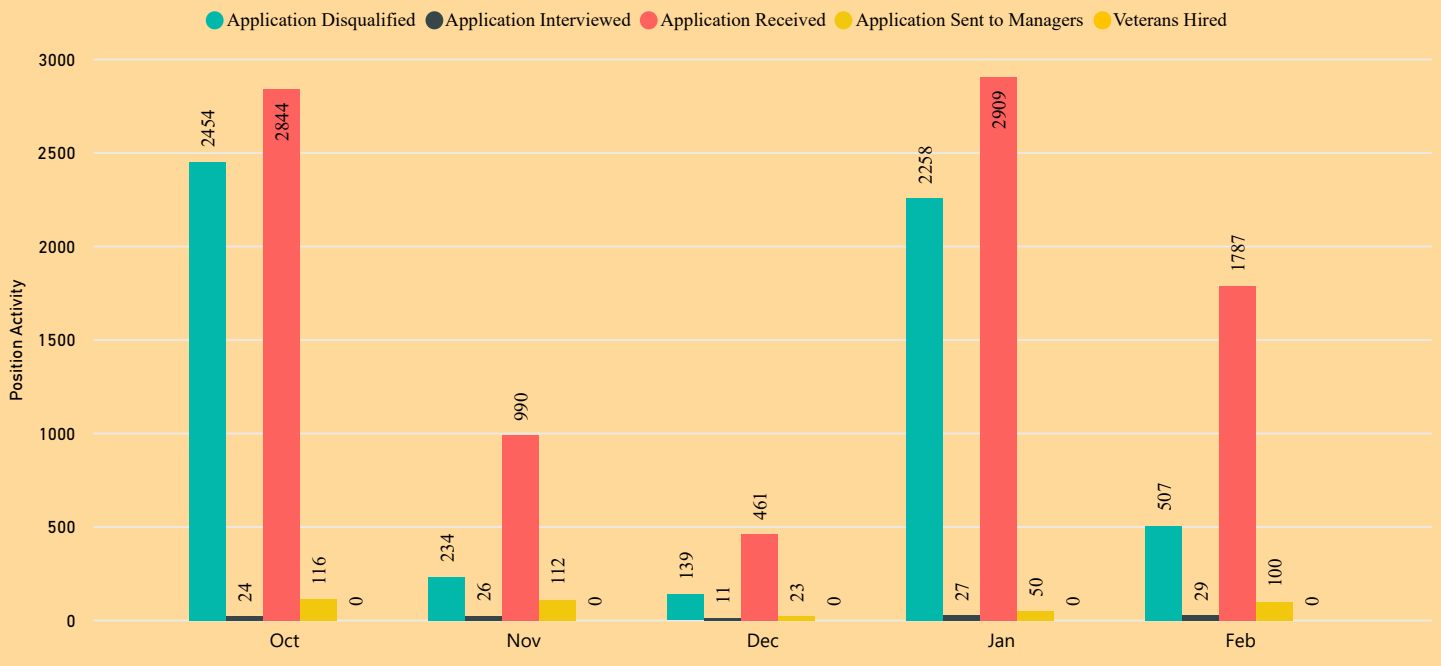
PEOPLE AND TALENT

Human Resources

Recruitment Performance Metric - Previous Fiscal Year

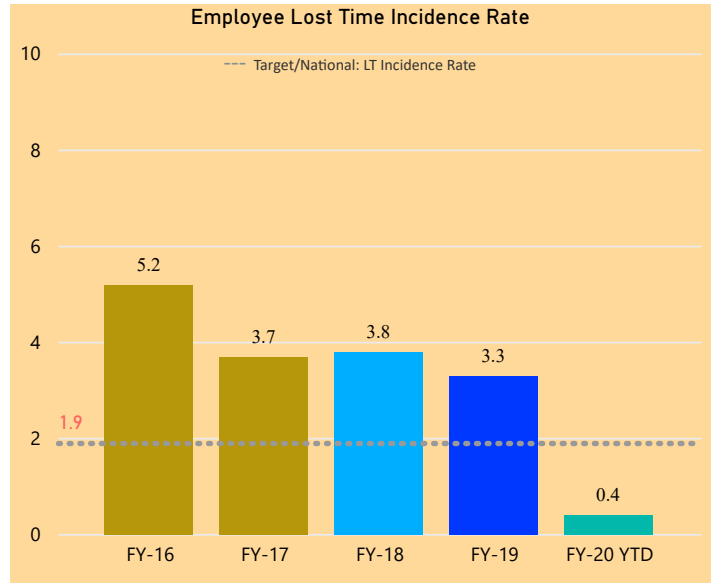
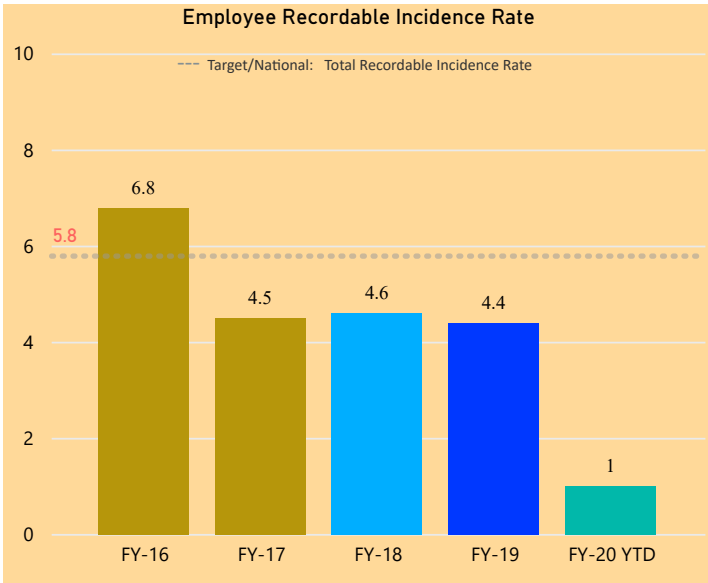


Recruitment Performance Metric - Current Fiscal Year



ADMINISTRATION

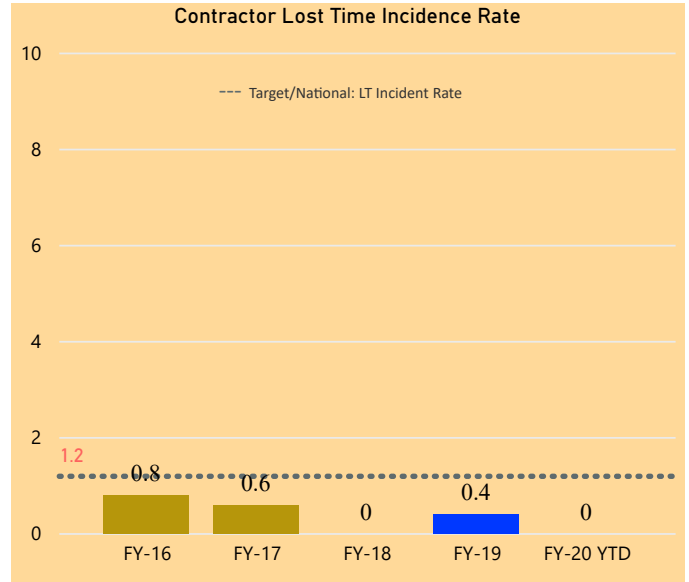
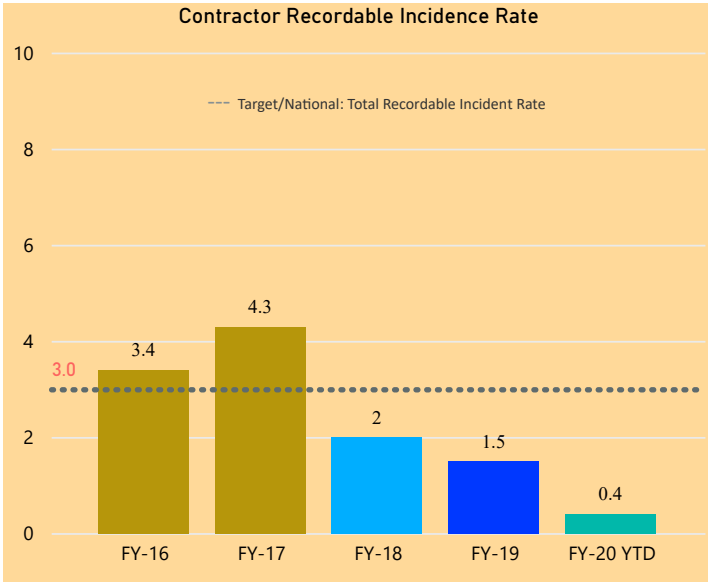
Safety



There have been 4 lost time incidents in FY 2020 YTD.

ADMINISTRATION

Safety



There have been 0 lost time incidents in FY 2020 YTD.

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

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

Net Operating Cash

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

Operating Revenues

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

Operating Expenses

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

Capital Disbursements

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

Operating Cash Balance

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

Delinquent Account Receivables

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

Investment Cash Earnings

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

Core Investments Yield

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

Short Term Investment Yield

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

Dynamic Color Coding Legend

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

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

A

Vendor Payment Performance

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

OPERATIONS & ENGINEERING

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

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

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

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

Plant Effluent Flow

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

Excess Flow

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

Non-Revenue Water

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

Lead and Copper Rule (LCR) Compliance

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

Total Coliform Rule (TCR)

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

Water Main Leaks

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

Dynamic Color Coding Legend

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

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

- Line graph denoted by (O) shows the number of main leaks repaired per month

Water Valve Leaks

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

Fire Hydrants Out of Service (OOS)

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

Fire Hydrant Inspections and Maintenance

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

Fire Hydrant Replacements Per Month

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

Sewer Main Backups

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

Sewer Lateral Backups

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

Combined Sewer dry weather Overflow (CSO) Events

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

Total Applications Processed within Service Level Agreement (SLA)

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

Dynamic Color Coding Legend

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

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

CUSTOMER EXPERIENCE

CUSTOMER CARE

Call Center Performance

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

Command Center Performance

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

First Call Resolution (FCR)

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

Emergency Response Time

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

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

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

Customer Assistance Program (CAP)

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

PEOPLE AND TALENT

HUMAN RESOURCES

Open Positions

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

Dynamic Color Coding Legend

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

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

ADMINISTRATION

SAFETY

Employee Lost Time Incidence Rate

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

Contractor Lost Time Incidence Rate

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

Dynamic Color Coding Legend

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

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



Summary of Contracts on Consent Agenda

263rd Meeting of the DC Water Board of Directors

Thursday, April 2, 2020

Joint-Use Contracts

Resolution No. 20-19, Blue Drop LLC - Execute Contract No. 20-PR-WWT-332, Blue Drop, LLC for the marketing and sales of Bloom in the amount of \$2,770,000 per year each for the base and two option years. Option years will be awarded annually based on the availability of funds and performance. The total contract amount is \$8,310,000.

Resolution No. 20-20, Polydyne - Execute Option Year One (1) of Contract No. 19-PR-DWT-14, Polydyne, Inc. The purpose of the option is to continue the supply and delivery of belt press dewatering polymer to DC Water's Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$1,803,000.

Resolution No. 20-21, Polydyne - Execute Option Year One (1) of Contract No. 19-PR-DWT-15, Polydyne, Inc. The purpose of the option is to continue the supply and delivery of centrifuge dewatering polymer to DC Water's Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$1,600,000.

Resolution No. 20-22, PVS Chemical Solutions, Inc. - Execute Option Year Two (2) of Contract No. 18-PR-DWT-13, PVS Chemical Solutions, Inc. The purpose of the option is to continue the supply and delivery of sodium bisulfite to DC Water's Advanced Wastewater Treatment Plant. The option amount is \$1,000,000.

Resolution No. 20-23, Parts Authority Southern, LLC - Execute Option Year One (1) through Four (4) of Contract No. 18-PR-DFM-18, Parts Authority Southern, LLC. The purpose of the option is to continue providing utility fleet replacement parts. Each option year will be awarded annually based on the availability of funds and performance. The option not-to-exceed amount is \$3,000,000.

Resolution No. 20-24, BREIT Industrial Canyon - Execute Change Order No. 124 of Contract No. 20-PR-DET-35, BREIT Industrial Canyon MD1W01, LLC. The purpose of the amendment is to continue providing storage of soil and rock samples obtained from the geotechnical investigations for the Clean River Project's subsurface facilities. This work is required by the Consent Decree. The lease amendment amount is \$541,372.

Resolution No. 20-25, American Contracting & Environmental Services - Execute Change Order No. 14 of Contract No. 150030, American Contracting & Environmental Services, Inc. The purpose of the change order is to continue providing structural, mechanical, electrical, and architectural upgrades to the pumping station to continue operation of the facility for the next twenty years. The change order amount is \$408,000.

Resolution No. 20-26, Advanced Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sanker Inc., Vigilant Technologies, LLC, v-Tech Solution, Inc. - Execute Option Year Three (3) of Contract No. 17-PR-DIT-06A,C,G,H,J,K,L,M, Advanced Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sanker Inc., Vigilant Technologies, LLC, v-Tech Solution, Inc. The purpose of the option is to continue providing IT staff augmentation and professional services for long and short-term projects when it is not feasible for the Authority to hire permanent IT staff or when specialized or unique skills are required. The option amount is \$6,750,676.

Resolution No. 20-27, Reading Crane & Engineering -Execute Option Year Four (4) of Contract No. 15-PR-DMS-54, Reading Crane & Engineering. The purpose of the option is to continue providing DC Water's Department of Maintenance Services and Department of Pumping Operations with annual inspection, testing and repair service of approximately 200 cranes and hoists used at various DC Water facilities. The option amount is \$375,000.

Resolution No. 20-28, Albert Risk Management Consulting Group - Execute Option Years Two (2) through Four (4) of Contract No. 18-PR-CFO-19, Albert Risk Management Consulting Group. The purpose of the options is to continue providing independent risk management consulting services. The options not-to-exceed amount is \$1,279,122.

Resolution No. 20-29, Oracle America, Inc. Option Year One (1) through Option Year Nine (9) of Contract No. 18-PR-CFO-56, Oracle America, Inc. The purpose of the option is for the subscription service of new ERP Software. The option amount is \$5,251,013.69

Non-Joint Use Contracts

Resolution No. 20-31, Ganntek, Inc. - Execute Option Year One (1) and Option Year Two (2) of Contract No. 19-PR-055-01, Ganntek, Inc. The purpose of the options is to continue the hauling and disposal of catch basin and excavation spoils. The option not-to-exceed amount is \$1,800,000.

Resolution No. 20-34, TDBank - Execute Contract No. 20-PR-CFO-29 for Irrevocable Direct Pay Letter of Credit (LOC) Supporting DC Water's Commercial Paper Program Services, TDBank, N.A., in the amount of \$362,208 per year for the base period of five years. The purpose of the contract is to provide irrevocable, direct-pay Letters of Credit to support DC Water's Commercial Paper Program. The total contract amount is \$1,811,041.

Resolution No. 20-35, TDBank - Execute the renewal of the Bank Credit Facility Supporting 2014B-1 and 2014B-2 Bonds, TDBank, N.A in the amount of \$232,571.00 per year for the base

period of five years. The purpose of the contract is to secure DC Water's Variable Rate Demand Bonds issued in 2014. The total amount is \$1,172,855.

Presented and Approved: April 2, 2020

SUBJECT: Approval to Execute Contract No. 20-PR-WWT-332, Blue Drop, LLC

**#20-19
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and __() opposed to approve Contract No. 20-PR-WWT-332, Blue Drop, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 20-PR-WWT-332, Blue Drop, LLC for the marketing and sales of Bloom in the amount of \$2,770,000 per year each for the base and two option years. Option years will be awarded annually based on the availability of funds and performance. The total contract amount is \$8,310,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

**SERVICES CONTRACT AWARD
Bloom Sales and Marketing
(Joint Use)**

Request to execute a contract for the marketing and sales of Bloom in the amount of \$2,770,000 per year each for the base and two option years, for a total of \$8,310,000.00. Option years will be awarded annually based on the availability of funds and performance.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Blue Drop, LLC 1385 Canal Street Washington, DC 20003	SUBS: N/A	PARTICIPATION: N/A
---	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$2,770,000.00
Base Contract Period:	1 Year
No. of Option Years:	2
Anticipated Contract Start Date:	04-01-2020
Anticipated Base Period Completion Date:	03-31-2021

Purpose of the Contract:

Blue Drop will manage the disposition of all DC Water’s Bloom, including marketing, selling, hauling and emergency storage contracts.

Contract Scope:

Under this contract, Blue Drop will manage approximately 260 wet tons/day (95K WT/yr) Bloom. They will market, sell and deliver to DC, VA, MD, PA, WV, NJ, etc. fresh, cured, and blended products. This marketing effort takes the place of the previous, recently-cancelled hauling contract at 2/3 the cost. Blue Drop will use its own hauling contracts and DC Water’s distribution and marketing permits to reduce the hauling distance and generate revenue.

Blue Drop has successfully met (in all but one year) increasing annual targets for Bloom sales, starting at 1,000 tons in 2016, 10,000 tons in 2017, 20,000 tons in 2018, and 40,000 tons in 2019, when 40,658 tons of Bloom were marketed. Achieving FY20’s target of 60,000 tons will realize up to \$300,000 incremental savings under this contract compared to FY19. Blue Drop’s long-term goal is marketing all 95,000 tons. Blue Drop has hired salespeople, and is well-positioned to meet their sales targets.

No LBE/LSBE participation.

PROCUREMENT INFORMATION

Contract Type:	Services	Award Based On:	Sole Source
Commodity:	Marketing and Sales	Contract Number:	20-PR-WWT-32
Contractor Market:	Sole Source		

BUDGET INFORMATION

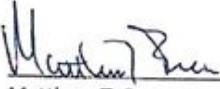
Funding:	Operating	Department:	Wastewater Treatment
Service Area:	Blue Plains AWTP	Department Head:	Aklile Tesfaye

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	45.15%	\$3,751,965.00
Washington Suburban Sanitary Commission	39.61%	\$3,291,591.00
Fairfax County	9.76%	\$811,056.00
Loudoun Water	4.74%	\$393,894.00
Other (PI)	0.74%	\$61,494.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$8,310,000.00

 / 3/11/2020
 Aklile Tesfaye Date
 VP of Wastewater Operations

 / 3/11/2020
 Dan Bae Date
 VP of Procurement and Compliance

 / 3/11/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 / 3/26/20
 David L. Gadis Date
 CEO and General Manager

Presented and Approved: April 2, 2020
SUBJECT: Approval to Exercise Option Year One (1) of Contract No. 19-PR-DWT-14, Polydyne, Inc.

#20-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year One (1) of Contract No. 19-PR-DWT-14, Polydyne, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One (1) of Contract No. 19-PR-DWT-14, Polydyne, Inc. The purpose of the option is to continue the supply and delivery of belt press dewatering polymer to DC Water's Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$1,803,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD YEAR

**BELT PRESS DEWATERING POLYMER
(Joint Use)**

Approval to exercise option year 1 for the Belt Press Dewatering Polymer in the amount of \$1,803,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Polydyne, Inc. One Chemical Plant Road Riceboro, GA 31323	SUBS: N/A	PARTICIPATION: N/A
--	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$1,781,700.00
Base Year Contract Dates:	05-01-2019 – 04-30-2020
No. of Option Years in Contract:	2
Prior Modifications Value:	\$475,000.00
Prior Modifications Date:	01-18-2020 – 04-30-2020
Option Year 1 Value:	\$1,803,000.00
Option Year 1 Date:	05-01-2020 – 04-30-2021

Purpose of the Contract:

This contract is to supply and deliver belt press dewatering polymer to DC Water’s Blue Plains Advanced Wastewater Treatment Facility. This polymer conditions biosolids to help remove water in the Final Dewatering Facility at Blue Plains.

Contract Scope:

In the belt press dewatering operations, the polymer is used to help remove water from biosolids after the digestion process. Dewatering biosolids improves the quality of this important co-product by removing water to concentrate the solids and reduce its volume, which also reduces the cost to transport biosolids to application sites.

Spending Previous Year:

Cumulative Contract Value:	05-01-2019 to 04-30-2020: \$2,256,700.00
Cumulative Contract Spending:	05-01-2019 to 02-29-2020: \$2,238,349.00

Contractor’s Past Performance:

According to the COTR, the Contractor’s quality of product and services, timeliness of deliverables; conformance to DC Water’s policies, procedures and contract terms; and invoicing all meet expectations and requirements.

No LBE/LSBE participation

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Dewatering Polymer	Contract Number:	19-PR-DWT-14
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		


BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains	Department Head:	Aklile Tesfaye

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	45.15%	\$814,054.50
Washington Suburban Sanitary Commission	39.61%	\$714,168.30
Fairfax County	9.76%	\$175,972.80
Loudoun Water	4.74%	\$85,462.20
Other (PI)	0.74%	\$13,342.20
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,803,000.00

 / 3/10/20
 Aklile Tesfaye Date
 VP of Wastewater Operations

 / 3/10/2020
 Dan Bae Date
 VP of Procurement and compliance

 / 3/11/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 / 3/26/20
 David L. Gadis Date
 CEO and General Manager

Presented and Approved: April 2, 2020

SUBJECT: Approval to Exercise Option Year One (1) of Contract No. 19-PR-DWT-15, Polydyne, Inc.

**#20-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and __() opposed to approve Option Year One (1) of Contract No. 19-PR-DWT-15, Polydyne, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One (1) of Contract No. 19-PR-DWT-15, Polydyne, Inc. The purpose of the option is to continue the supply and delivery of centrifuge dewatering polymer to DC Water's Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$1,600,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT AWARD YEAR
CENTRIFUGE PRE-DEWATERING POLYMER
(Joint Use)**

Approval to exercise option year 1 for the Centrifuge Pre-Dewatering Polymer in the amount of \$1,600,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Polydyne, Inc. One Chemical Plant Road Riceboro, GA 31323	SUBS: N/A	PARTICIPATION: N/A
--	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$1,384,900.00
Base Year Contract Dates:	05-01-2019 – 04-30-2020
No. of Option Years in Contract:	2
Prior Modifications Value:	\$475,000.00
Prior Modifications Date:	01-18-2020 – 04-30-2020
Option Year 1 Value:	\$1,600,000.00
Option Year 1 Date:	05-01-2020 – 04-30-2021

Purpose of the Contract:

This contract is to supply and deliver centrifuge pre-dewatering polymer to DC Water’s Blue Plains Advanced Wastewater Treatment Facility. This polymer conditions biosolids to help remove water in the centrifuge process.

Contract Scope:

DC Water uses dry cationic polymer at Blue Plains to help reduce water content and increase the solids content in the feed to Thermal Hydrolysis (THP). This conditioning improves the performance of the THP and digestion processes, leading to exceptional-quality Bloom that can be applied for beneficial use.

Spending Previous Year:

Cumulative Contract Value:	05-01-2019 to 04-30-2020: \$1,859,900.00
Cumulative Contract Spending:	05-01-2019 to 02-28-2020: \$1,650,263.00

Contractor’s Past Performance:

According to the COTR, the Contractor’s quality of product and services, timeliness of deliverables; conformance to DC Water’s policies, procedures and contract terms; and invoicing all meet expectations and requirements.

No LBE/LSBE participation

PROCUREMENT INFORMATION

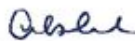
Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Pre-Dewatering Polymer	Contract Number:	19-PR-DWT-15
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION


Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains	Department Head:	Aklile Tesfaye

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	45.15%	\$722,400.00
Washington Suburban Sanitary Commission	39.61%	\$633,760.00
Fairfax County	9.76%	\$156,160.00
Loudoun Water	4.74%	\$75,840.00
Other (PI)	0.74%	\$11,840.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,600,000.00

 / 3/10/20
 Aklile Tesfaye Date
 VP of Wastewater Operation

 / 3/10/2020
 Dan Bae Date
 VP of Procurement and Compliance

 / 3/11/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 / 3/26/20
 David L. Gadis Date
 CEO and General Manager

Presented and Approved: April 2, 2020

SUBJECT: Approval to Exercise Option Year Two (2) of Contract No. 18-PR-DWT-13, PVS Chemical Solutions, Inc.

**#20-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year Two (2) of Contract No. 18-PR-DWT-13, PVS Chemical Solutions, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two (2) of Contract No. 18-PR-DWT-13, PVS Chemical Solutions, Inc. The purpose of the option is to continue the supply and delivery of sodium bisulfite to DC Water's Advanced Wastewater Treatment Plant. The option amount is \$1,000,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION YEAR
Supply and Delivery of Sodium Bisulfite
(Joint Use)**

Approval to exercise option year 2 for the supply and delivery of sodium bisulfite in the amount of \$1,000,000.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: PVS Chemical Solutions, Inc. 10900 Harper Avenue Detroit, MI 48213	SUBS: N/A	PARTICIPATION: N/A
---	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value:	\$700,000.00
Original Contract Dates:	04-16-2018—04-15-2019
No. of Option Years in Contract:	2
Option Year 1 Value:	\$757,500.00
Option Year 1 Dates:	04-16-2019—04-15-2020
Prior Modifications Value:	\$585,000.00
Prior Modifications Dates:	01-01-2019—04-15-2020
Option Year 2 Value:	\$1,000,000.00
Option Year 2 Dates:	04-16-2020—04-15-2021

Purpose of the Contract:

This contract is to supply and deliver sodium bisulfite to the Department of Wastewater Treatment (DWT) at DC Water. Sodium bisulfite removes residual chlorine from effluent water, and its use is required to meet environmental standards.

Contract Scope:

DWT adds sodium bisulfite to treated wastewater following disinfection with sodium hypochlorite and prior to discharging the effluent to the Potomac River. The hypochlorite leaves residual chlorine in the water, which is removed by sodium bisulfite. The NPDES permit from EPA regulations requires that the discharge from the plant has a non-detectable residual chlorine level.

This is the last option year for the contract, DC Water will initiate new sodium bisulfite solicitation to replace the current contract.

Spending Previous Year:

Cumulative Contract Value:	04-16-2018 to 04-15-2020: \$2,042,500.00
Cumulative Contract Spending:	04-16-2018 to 01-10-2020: \$2,026,011.00

Contractor's Past Performance:

According to the COTR, the Contractor's quality of product and services, timeliness of deliverables; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations and requirements.

No LBE/LSBE participation in the contract award.

PROCUREMENT INFORMATION

Contract Type:	Good and Services	Award Based On:	Best Value
Commodity:	Sodium Bisulfite	Contract Number:	18-PR-DWT-13
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains	Department Head:	Aklile Tesfaye

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	45.15%	\$451,500.00
Washington Suburban Sanitary Commission	39.61%	\$396,100.00
Fairfax County	9.76%	\$97,600.00
Loudoun Water	4.74%	\$47,400.00
Other (PI)	0.74%	\$7,400.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,000,000.00

 / 3/10/20
 Aklile Tesfaye Date
 VP of Wastewater Operation

 / 3/10/2020
 Dan Bae Date
 VP of Procurement and Compliance

 / 3/11/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 / 3/26/20
 David L. Gadis Date
 CEO and General Manager

Presented and Approved: April 2, 2020

**SUBJECT: Approval to Exercise Option Year One (1) through Four (4)
of Contract No. 18-PR-DFM-18, Parts Authority Southern,
LLC**

**#20-23
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year One (1) through Four (4) of Contract No. 18-PR-DFM-18, Parts Authority Southern, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One (1) through Four (4) of Contract No. 18-PR-DFM-18, Parts Authority Southern, LLC. The purpose of the option is to continue providing utility fleet replacement parts. Each option year will be awarded annually based on the availability of funds and performance. The option not-to-exceed amount is \$3,000,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION YEAR
Utility Fleet Parts Supply
(Joint Use)**

Request to exercise Option Year 1 thru 4 for the total not-to-exceed amount of \$3,000,000.00 for utility fleet replacement parts. Each option year will be awarded annually based on the availability of the funds and performance.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Parts Authority Southern, LLC 9731 Washington Blvd. North Laurel, MD 20723	SUBS: Delcoline Inc. 4949 Lawrence St. Hyattsville, MD 20781 LSBE K. Neal International Trucks Inc. 500 Tuxedo Rd Hyattsville, MD 20781	PARTICIPATION: 33.3% 33.3%
---	---	---

DESCRIPTION AND PURPOSE

Original Contract Value:	\$600,000.00
Original Contract Dates:	04-15-2019 – 04-14-2020
No. of option Years in Contract:	4
Modification Value	\$50,000.00
Modification Dates	04-15-2019 – 02-01-2020
Option Year 1 Value:	\$750,000.00
Option Year 1 Dates:	04-15-2020 – 04-14-2021
Option Year 2 to Option Year 4 Value:	\$2,250,000.00
Option Year 2 to Option Year 4 Dates:	04-15-2021 – 04-14-2024

Purpose of the Contract:

This contract provides DC Water’s Department of Fleet Management with utility fleet replacement parts allowing Fleet Management to perform maintenance and repair services at their central and satellite maintenance locations.

Contract Scope:

DC Water’s Department of Fleet Management provides both centralized and satellite maintenance, repairs and parts storage for a very broad range of requirements. Replacement parts are required for DC Water’s tools, equipment, light, medium and heavy duty vehicles. The contractor provides the supply, delivery and consigned vendor owned inventory for the fulfillment of the utility fleet vehicle parts supply requirements.

Spending Previous Year:

Cumulative Contract Value:	04/15/2019 to 04/14/2020: \$650,000.00
Cumulative Contract Spending:	04/15/2019 to 01/30/2020: \$453,949.32

Contractors Past Performance:

According to the COTR, the Contractor’s quality of products and services, timeliness of deliverables; conformance to DC Water’s policies, procedures and contract terms; and invoicing all meet expectations and requirements.

PROCUREMENT INFORMATION

Contract Type:	Cost Plus Fixed Markup	Award Based On:	Highest Rated Proposal
Commodity:	Goods and Services	Contract Number:	18-PR-DFM-18
Contractor Market:	Open Market with Preference Points for LBE and LSBE participation		


BUDGET INFORMATION

Funding:	Operating	Department:	Fleet Management
Service Area:	Fleet Maintenance Facility	Department Head:	Timothy Fitzgerald

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	84.61%	\$2,538,300.00
Washington Suburban Sanitary Commission	11.11%	\$333,300.00
Fairfax County	2.74%	\$82,200.00
Loudoun Water	1.33%	\$39,900.00
Other (PI)	0.21%	\$6,300.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$3,000,000.00

 3/1/2020
 Maureen Holman
 EVP of Administration
 Date

 3/9/2020
 Dan Bae
 VP of Procurement and Compliance
 Date

 3/11/2020
 Matthew T. Brown
 CFO and EVP of Finance and Procurement
 Date

 3/26/2020
 David L. Gadis
 CEO and General Manager
 Date

Presented and Approved: April 2, 2020

SUBJECT: Approval to Execute a Lease Amendment for Contract No. 20-PR-DET-35, BREIT Industrial Canyon MD1W01, LLC

**#20-24
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve a Lease Amendment for Contract No. 20-PR-DET-35, BREIT Industrial Canyon MD1W01, LLC

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 124 of Contract No. 20-PR-DET-35, BREIT Industrial Canyon MD1W01, LLC. The purpose of the amendment is to continue providing storage of soil and rock samples obtained from the geotechnical investigations for the Clean River Project's subsurface facilities. This work is required by the Consent Decree. The lease amendment amount is \$541,372.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES LEASE MODIFICATION:
EXTENSION OF COMMERCIAL LEASE FOR WAREHOUSE SPACE
(Joint Use)**

Approval to execute a lease amendment for \$541,372.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
BREIT Industrial Canyon MD1WO1 LLC c/o Unk Industrial Management LLC 220 Commerce Drive, Suite 400 Fort Washington, PA 19034	N/A	N/A

DESCRIPTION AND PURPOSE

Original Lease Value:	\$814,000.00
Original Contract Dates:	04-01-2010 – 03-31-2020
Prior Modifications Value:	\$97,963.00
Prior Modifications Dates:	04-01-2010 – 03-31-2020
This Lease Amendment Value:	\$541,372.00
This Lease Amendment Dates:	04-01-2020 – 03-31-2025

Purpose of the Contract:

To provide storage of soil and rock samples obtained from the geotechnical investigations for the Clean Rivers Project's subsurface facilities. This work is required by a Consent Decree.

Scope of the Contract:

Provide DC Water approximately 10.25% of entire secured warehouse space located at 8367-8369 Ardwick Ardmore Road in Landover, Maryland. With this amendment, the lease will be extended from a 10 year period to 15 years.

Previous Spending:

Cumulative Contract Value:	04/01/2010 to 03/31/2020: \$911,963.00
Cumulative Contract Spending:	04/01/2010 to 02/29/2020: \$860,999.00

Contractor's Past Performance:

The Contractor's performance and quality of work all meet DC Water's requirements.


No LSBE participation


PROCUREMENT INFORMATION			
Contract Type:	Lease	Award Based On:	Best Value
Commodity:	Goods & Services	Contract Number:	20PRODET35
Contractor Market:	Open Market		


BUDGET INFORMATION			
Funding:	Capital	Department:	Clean Rivers
Service Area:	Combined Sewer Overflow, Sewer	Department Head:	Carlton Ray

ESTIMATED USER SHARE INFORMATION

User - Capital CY 39500-LTCP	Share %	Dollar Amount
District of Columbia	92.90%	\$280,826.42
Washington Suburban Sanitary Commission	5.54%	\$16,746.81
Fairfax County	1.01%	\$3,053.12
Loudoun County & Potomac Interceptor	0.55%	\$1,662.58
Total Estimated Dollar Amount	100.00%	\$302,288.93
User - Capital CY 39600-GIBP	Share %	Dollar Amount
District of Columbia	41.22%	\$59,295.58
Washington Suburban Sanitary Commission	45.84%	\$65,941.52
Fairfax County	8.38%	\$12,054.75
Loudoun County & Potomac Interceptor	4.56%	\$6,559.63
Total Estimated Dollar Amount	100.00%	\$143,851.48
User - Capital CY 39700-CAPM	Share %	Dollar Amount
District of Columbia	100.00%	\$71,661.51
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun County & Potomac Interceptor	0.00%	\$0.00
Total Estimated Dollar Amount	100.00%	\$71,661.51
User - Capital CY 39800-MU20	Share %	Dollar Amount
District of Columbia	90.00%	\$21,213.07
Washington Suburban Sanitary Commission	10.00%	\$2,357.01
Fairfax County	0.00%	\$0.00
Loudoun County & Potomac Interceptor	0.00%	\$0.00
Total Estimated Dollar Amount	100.00%	\$23,570.08
User -- Combined	Share %	Dollar Amount
District of Columbia	79.98%	\$432,996.58
Washington Suburban Sanitary Commission	15.71%	\$85,045.34
Fairfax County	2.79%	\$15,107.87
Loudoun County & Potomac Interceptor	1.52%	\$8,222.21
Total Estimated Dollar Amount	100.00%	\$541,372.00


 Leonard R. Benson, 3.16.20
 Senior Vice President, CIP Project Delivery


 Matthew T. Brown, 3/13/2020
 CFO and EVP, Finance and Procurement


 Dan Bae, 3/13/2020
 Vice President, Procurement and Compliance


 David L. Gadls, 3/24/20
 CEO and General Manager

Presented and Approved: April 2, 2020

SUBJECT: Approval to Execute Change Order No. 14 of Contract No. 150030, American Contracting & Environmental Services, Inc.

**#20-25
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Change Order No. 14 of Contract No. 150030, American Contracting & Environmental Services, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 14 of Contract No. 150030, American Contracting & Environmental Services, Inc. The purpose of the change order is to continue providing structural, mechanical, electrical, and architectural upgrades to the pumping station to continue operation of the facility for the next twenty years. The change order amount is \$408,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT CHANGE ORDER:

**Raw Wastewater Pump Station 2 Upgrades
(Joint Use)**

Approval to execute Change Order No. 14 for \$408,000.00. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
American Contracting & Environmental Services, Inc. 10330 Old Columbia Road Suite 102 Columbia, MD 21046	SQN Systems Corp. Columbia, Md.	MBE 18.3%
	Buena Vista Assoc., LLC Washington, DC	MBE 12.3%
	Trijay Systems, Inc. Line Lexington, Pa.	MBE 1.0%
	T.I.T.L. Trucking, Inc. Lothin, Md.	MBE 0.2%
	DeLeon Access Floors, Inc. Jessup, Md.	MBE 0.1%
	G.E. Frisco Co., Inc. Upper Marlboro, Md.	MBE 0.1%
	Tag Distribution & Supply, LLC Pikesville, Md.	WBE 5.1%
	Monumental Supply Co., Inc. Baltimore, Md.	WBE 0.5%
	Robnet, Inc. Baltimore, Md.	WBE 0.4%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$18,732,000.00	
Value of this Change Order:	\$408,000.00	
Cumulative CO Value, including this CO:	\$3,451,853.00	
Current Contract Value, including this CO:	\$22,183,853.00	
Original Contract Time:	973 Days	(2 Years, 8 Months)
Time extension, this CO:	98 Days	
Total CO contract time extension:	278 Days	(0 Years, 9 Months)
Contract Start Date (NTP):	09-15-2016	
Anticipated Contract Completion Date:	08-21-2020	
Cumulative CO % of Original Contract:	18.43%	
Contract completion %:	90.43%	

Purpose of the Contract:

Structural, mechanical, electrical, and architectural upgrades to the pumping station to continue operation of the facility for the next 20 years.

Original Contract Scope:

- Structural repairs and modifications to the facility as needed for the rehabilitation of the existing bridge crane system and additional support for higher roof loads.

- Architectural renovations including upgrades to restrooms, control and main floor rooms, and roof replacement.
- Mechanical upgrades including replacement of HVAC systems, process piping, and rehabilitation of 9 raw wastewater pumps.
- Electrical upgrades including relocation of new electrical room and replacement of medium and low voltage electrical equipment throughout the pump station.

Previous Change Order Scope:

- Compensation for 180 calendar-day time extension of which 93 days are compensable. Time extension was the result of delays associated with approving motor control center and variable frequency drives after changes were made to both and the Electrical Room configuration to overcome VFD sizing and Electrical Room space conflicts.




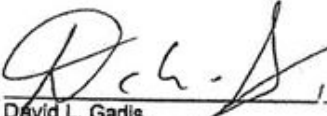
Current Change Order Scope:

- Compensation for 98 calendar-day time extension of which 85 days are compensable. Time extension was the result of concurrent delays associated with rehabilitating Raw Wastewater Pumps No. 01, 09, 04, changes to the Pump Control Panel, and structural modifications to reinforce the Electrical Room slab.

PROCUREMENT INFORMATION			
Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	150030
Contractor Market:	Open Market		

BUDGET INFORMATION			
Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater	Department Head:	David Parker
Project:	BV		

ESTIMATED USER SHARE INFORMATION		
User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 168,178.00
Washington Suburban Sanitary Commission	45.84%	\$ 187,027.00
Fairfax County	8.38%	\$ 34,190.00
Loudoun County & Potomac Interceptor	4.56%	\$ 18,805.00
Total Estimated Dollar Amount	100.00%	\$ 408,000.00

 _____ Leonard R. Benson SVP, CIP Project Delivery	3/16/20 _____ Date	 _____ Dan Bae, VP Procurement and Compliance	3/15/2020 _____ Date
 _____ Matthew T. Brown CFO and EVP Finance and Procurement	3/13/2020 _____ Date	 _____ David L. Gadis CEO and General Manager	3/25/20 _____ Date

Presented and Approved: April 2, 2020

SUBJECT: Approval to Exercise Option Year Three (3) of Contract No. 17-PR-DIT-06A,C,G,H,J,K,L,M, Advanced Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sanker Inc., Vigilant Technologies, LLC, v-Tech Solution, Inc.

**#20-26
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year Three (3) of Contract No. 17-PR-DIT-06A,C,G,H,J,K,L,M, Advanced Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sanker Inc., Vigilant Technologies, LLC, v-Tech Solution, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three (3) of Contract No. 17-PR-DIT-06A,C,G,H,J,K,L,M, Advanced Digital Systems, Ampcus Inc., Networking for Future, Inc., Peak Technology Solutions, Inc., Susan Fitzgerald & Associates, Inc., Sanker Inc., Vigilant Technologies, LLC, v-Tech Solution, Inc. The purpose of the option is to continue providing IT staff augmentation and professional services for long and short-term projects when it is not feasible for the Authority to hire permanent IT staff or when specialized or unique skills are required. The option amount is \$6,750,676.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION

**IT Professional Services
(Joint Use)**

Approval to exercise Option Year three (3) of the IT Temporary Staffing Contracts in the amount of **\$6,750,676.00** to fulfill the Temporary IT Staffing needs within DC Water.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Advance Digital Systems* Fairfax, VA-22030	N/A	100%
Ampcus Inc.* Chantilly, VA 20151	N/A	100%
Networking for Future, Inc.* Washington, DC 20004	N/A	100%
Peak Technology Solutions, Inc.* Washington, DC 20036	N/A	100%
Susan Fitzgerald & Associates, Inc.* Washington, DC 20007	N/A	100%
Sankar Inc. Maple Grove, MN 55311	N/A	0%
Vigilant Technologies, LLC. Troy, MI 48084	N/A	0%
v-Tech Solution, Inc.* Washington, DC 20005	N/A	100%

*LBE/LSBE

DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$5,500,000.00
Base Year Contract Dates:	05-01-2017 – 04-30-2018
No. of Option Years in Contract:	3
Base Year Modifications Value:	\$2,889,000.00
Base Year Modifications Dates:	08-16-2017 – 04-30-2018
Option Year 1 Value:	\$390,000.00
Option Year 1 Dates:	05-01-2018 – 04-30-2019
Option Year 2 Value:	\$5,880,160.00
Option Year 2 Dates:	05-01-2019 – 04-30-2020
Option Year 3 Value:	\$6,750,676.00
Option Year 3 Dates:	05-01-2020 – 04-30-2021

Purpose and Scope of the Contracts:

Eight (8) contractors were selected from an open-market RFP to provide IT staff augmentation and professional services for long and short-term projects when it is not feasible for The Authority to hire permanent IT staff, or when specialized or unique skills are required. An Indefinite Delivery Indefinite Quantity (IDIQ) contract was executed with each of the above firms, and then DC Water requests IT temporary Staffing from among these eight approved firms when required.

The scope of the contracts includes Customer Information System (CIS) support, database administration, Maximo software upgrade support, SCADA support, and Project Management as outlined below:

Maximo Software - Integration of Kona Field Service - Maximo Anywhere for Plant Operations - Customer Information Billing System Integration	Local Area (LAN)/Wide Area Network (WAN) - Supervisory Control and Data Acquisition System (SCADA) - Disaster Recovery - Daily Maintenance of internal and external network - Windows Administration <ul style="list-style-type: none"> • Remote Access • Support for Customer Info System • Daily maintenance of DC Water internal network • Storage Administration
Geographical Information System (GIS) - Integration of GIS with the Customer Billing System	
Project Management - Live-Link Upgrade - Mobility Blue Plains Operations - Mobility Field Operations - Connected Drinking Fountains - Customer Information System - Zeus Project	

This contract extension will allow DC Water to continue to use the contracts to fulfill IT professional and staff augmentation services requirements through April 30, 2021. A new Solicitation will be published and awarded before April, 2021.

Spending Previous Years:

Cumulative Contract Value:	05-01-2017 to 04-30-2020: \$14,659,160.00
Cumulative Contract Spending:	05-01-2017 to 02-16-2020: \$14,080,655.20

Contractors' Past Performance:

According to the COTR, the Contractor's timeliness of deliverables, conformance to DC Water's policies, procedures and contract terms, and invoicing all meet expectations.

PROCUREMENT INFORMATION

Contract Type:	Fixed Hourly Rate	Award Based On:	Competitive Bid; Highest Ratings
Commodity:	Professional Services	Contract Number:	17-PR-DIT-06 A, C, G, H, J, K, L, M
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	IT, Customer Experience, DPO, Safety, People & Talent, and Risk Management
Project Area:	DC Water Wide	Department Head:	Armon Curd, Aklile Tesfaye, Maureen Holman

User – Operating	Share %	Dollar Amount
District of Columbia	84.61%	\$3,790,528.00
Washington Suburban Sanitary Commission	11.11%	\$ 497,728.00
Fairfax County	2.74%	\$ 122,752.00
Loudoun Water	1.33%	\$ 59,584.00
Other (PI)	0.21%	\$ 9,408.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$ 4,480,000.00

BUDGET INFORMATION

Funding:	Capital Equipment	Department:	IT
Project Area:	IT ESC / LSC Project	Department Head:	Armon Curd

User – Capital Equipment	Share %	Dollar Amount
District of Columbia	78.67%	\$ 1,786,340.81
Washington Suburban Sanitary Commission	16.18%	\$ 367,395.38

Fairfax County	3.30%	\$ 74,932.31
Loudoun Water	1.56%	\$ 35,422.55
Other (PI)	0.29%	\$ 6,584.96
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$ 2,270,676.00


 Armon Curd
 EVP Customer Experience
 Date 3/11/20


 Dan Bae
 VP of Procurement and Compliance
 Date 3/9/2020


 Matthew T. Brown
 CFO and EVP of Finance and Procurement
 Date 3/10/2020


 David L. Gadis
 General Manager and CEO
 Date 3/26/20

Presented and Approved: April 2, 2020

**SUBJECT: Approval to Exercise Option Year Four (4)
of Contract No. 15-PR-DMS-54, Reading Crane &
Engineering**

**#20-27
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year Four (4) of Contract No. 15-PR-DMS-54, Reading Crane & Engineering.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four (4) of Contract No. 15-PR-DMS-54, Reading Crane & Engineering. The purpose of the option is to continue providing DC Water's Department of Maintenance Services and Department of Pumping Operations with annual inspection, testing and repair service of approximately 200 cranes and hoists used at various DC Water facilities. The option amount is \$375,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR

CRANE/HOIST REPAIR & MAINTENANCE

(Joint Use)

Approval to execute Option Year 4 and add funding to the subject contract for repair and maintenance of cranes and hoists in the amount of \$375,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Reading Crane & Engineering 11 Vanguard Drive Reading, PA 19606	SUBS: N/A	PARTICIPATION: N/A
--	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value:	\$224,847.50
Original Contract Dates:	03-02-2016 – 03-01-2017
No. of Option Years in Contract:	4
Prior Modifications Value:	\$40,000.00
Prior Modifications Dates:	11-15-2016 – 03-1-2017
Option Year 1 Value:	\$276,633.65
Option Year 1 Dates:	03-02-2017 – 03-01-2018
Option Year 2 Value:	\$230,000.00
Option Year 2 Dates:	03-02-2018 – 03-01-2019
Option Year 3 Value:	\$212,000.00
Option Year 3 Dates:	03-02-2019 – 03-01-2020
Option Year 4 Value:	\$375,000.00
Option Year 4 Dates:	03-02-2020 – 3-01-2021

Purpose of the Contract:

This contract provides DC Water’s Department of Maintenance Services (DMS) and Department of Pumping Operations (DPO) with annual inspection, testing and repair service of approximately 200 cranes and hoists used at various DC Water facilities.

Contract Scope:

The Contractor provides all materials, tools, equipment and labor necessary to perform crane and hoist inspections and repairs at DC Water facilities. All inspections will adhere and comply with Occupational Safety and Health Administration (OSHA), American Society of Mechanical Engineers (ASME), Crane Manufacturers Association of America CMAA and American National Standards Institute (ANSI) regulations. Critical electrical, mechanical and structural components for sound safety and operating conditions will also be checked.

DMS is requesting an additional contract amount of \$375,000 to fund the contract for these services through end of Option Year 4. DPO has funds available for their requirements through end of Option Year 4. Additional funding is needed for ongoing inspection and maintenance support of the cranes and hoists, including the addition of the Wet Weather Treatment Facility cranes.

Spending Previous Year:

Cumulative Contract Value:	03/02/2016 to 03/01/2020: \$983,481.15
Cumulative Contract Spending:	03/02/2016 to 02/05/2020: \$955,573.02

Contractor’s Past Performance:

According to the COTR, the Contractor’s performance and quality of work all meet DC Water’s requirements.

No LSBE participation

PROCUREMENT INFORMATION

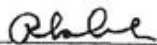
Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Maintenance Services	Contract Number:	15-PR-DMS-54
Contractor Market:	Open Market with Preference Points		

BUDGET INFORMATION

Funding:	Operating	Department:	DMS
Project Area:	DC Water Wide	Department Head:	Elkin Hernandez

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	45.15%	\$169,312.50
Washington Suburban Sanitary Commission	39.61%	\$148,537.50
Fairfax County	9.76%	\$36,600.00
Loudoun Water	4.74%	\$17,775.00
Other (PI)	0.74%	\$2,775.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$375,000.00

 3/4/20
 Aklile Tesfaye
 VP, Wastewater Operations
 Blue Plains
 Date

 3/5/2020
 Matthew T. Brown
 EVP, Finance and Procurement
 Date

 3/4/2020
 Dan Bels
 VP, Procurement and Compliance
 Date

 3/26/20
 David L. Gadis
 CEO and General Manager
 Date

Presented and Approved: April 2, 2020

SUBJECT: Approval to Exercise Option Years Two (2) through Four (4) of Contract No. 18-PR-CFO-19, Albert Risk Management Consulting Group

**#20-28
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Years Two (2) through Four (4) of Contract No. 18-PR-CFO-19, Albert Risk Management Consulting Group.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Years Two (2) through Four (4) of Contract No. 18-PR-CFO-19, Albert Risk Management Consulting Group. The purpose of the options is to continue providing independent risk management consulting services. The options not-to-exceed amount is \$1,279,122.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES OPTION YEARS
INDEPENDENT RISK MANAGEMENT CONSULTING SERVICES
(Joint Use)**

Request to exercise options years 2 through 4 for a total not-to-exceed amount of \$1,279,122.00 for Independent Risk Management Consulting Services. Each option year will be awarded annually based on the availability of the fund and performance.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Albert Risk Management Consulting Group 72 River Park Needham, MA 02494	SUBS: N/A	PARTICIPATION: N/A
--	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value:	\$415,975.00
Original Contract Dates:	05-01-2018—04-30-2019
No. of Option Years in Contract:	4
Option Years 1 Value:	\$426,374.00
Option Years 1 Dates:	05-01-2019—04-30-2020
Option Years 2-4 Value:	\$1,279,122.00
Option Years 2-4 Dates:	05-01-2020—05-15-2023

Purpose of the Contract:

DC Water’s Office of the Chief Financial Officer (CFO) require the services of a competent and qualified firm to provide independent risk management consulting services. Services required include but are not limited to coverage assessments, rolling owner-controlled insurance program (ROCIP) project management, claims/risk analyses, insurance policy reviews and consultation on various issues of risk management. ROCIP management will cover current and forecasted construction planned to commence over the next ten (10) years, including renovation, reconstruction and expansion of the current Blue Plains Advanced Wastewater Treatment Plant and related facilities. DC Water’s construction program includes multi-phased projects involving updates, renovations and new construction, in addition to active City upgrades, repairs and replacements.

Scope of the Contract:

This contract will provide independent risk management consulting services. The options include continued professional consulting services.

Spending Previous Year:

Cumulative Contract Value:	05-01-2018 – 04-30-2020: \$842,349.00
Cumulative Contract Spending:	05-01-2018 – 03-09-2020: \$793,895.43

Contractor’s Past Performance:

According to the COTR, the Contractors’ quality of services; timeliness of responses; conformance to DC Water’s policies, procedures and contract terms; and invoicing all meet expectations.

PROCUREMENT INFORMATION			
Contract Type:	Fixed Hourly Rate	Award Based On:	Highest Rated Offerors
Commodity:	Services	Contract Numbers:	18-PR-CFO-19
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		


BUDGET INFORMATION			
Funding:	Operating	Department:	Department of Finance
Service Area:	DC Water Wide	Department Heads:	Ivan Boykin

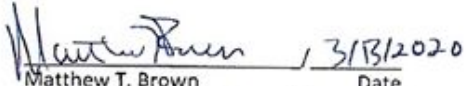
ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	84.61%	\$432,906.00
Washington Suburban Sanitary Commission	11.11%	\$56,844.00
Fairfax County	2.74%	\$14,019.00
Loudoun County	1.33%	\$6,805.00
Other (PI)	0.21%	\$1,074.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$511,649.00

User - Capital	Share %	Dollar Amount
District of Columbia	41.22%	\$316,352.00
Washington Suburban Sanitary Commission	45.84%	\$351,810.00
Fairfax County	8.38%	\$64,314.00
Loudoun County	3.73%	\$28,627.00
Other (PI)	0.83%	\$6,370.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$767,473.00


 Ivan Boykin
 Director of Finance
 Date: 3/13/20


 Dan Bae
 VP of Procurement and Compliance
 Date: 3/13/2020


 Matthew T. Brown
 CFO and EVP of Finance and Procurement
 Date: 3/13/2020


 David L. Gadis
 CEO and General Manager
 Date: 3/26/20

Presented and Approved: April 2, 2020

SUBJECT: Approval to Exercise Option Year One (1) through Option Year Nine (9) of Contract No. 18-PR-CFO-56, Oracle America, Inc.

**#20-29
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year One (1) through Option Year Nine (9) of Contract No. 18-PR-CFO-56, Oracle America, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One (1) through Option Year Nine (9) of Contract No. 18-PR-CFO-56, Oracle America, Inc. The purpose of the option is for the subscription service of new ERP Software. The option amount is \$5,251,013.69

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION

**Enterprise Resource Planning (ERP) Software
(Joint Use)**

Approval to execute Option Year 1 through Option Year 9 for the subscription service of new ERP Software in the amount of **\$5,251,013.69**

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Oracle America, Inc. 500 Oracle Parkway Redwood Shores, CA 94065	SUBS: N/A	PARTICIPATION: N/A
---	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value: \$496,793.90
 Base-Term of Contract: 05-15-2019 – 05-14-2020 (1-year Base Term)
 No. of Option Years in Contract: 9
 Option Period Value: **\$5,251,013.69**
 Option Period Dates: 05-15-2020 – 05-14-2029 (OY1 through OY9)

Purpose of the Contract:

The purpose of this contract is to subscribe to the Oracle Cloud ERP software subscription service with one 1-year base term and 9 option years.

Contract Scope:

The Oracle Cloud ERP is a cloud-based SaaS (Software-as-a-Service) software subscription service that will completely replace our current on-premise financial, procurement, and HCM software. The software subscription will include all updates, patches, fixes, maintenance, support, and database during the term of the contract. Additionally, Oracle provides a PaaS (Platform-as-a-Service) for the Authority's ERP.

Supplier Selection:

A Request for Proposal (RFP) was issued in September 2018 and 9 proposals with 4 different ERP solutions were received. 4 firms and 2 ERP solutions were down-selected for the negotiation rounds that included extensive product demonstrations and oral presentations. **Oracle Cloud ERP** was selected as the new ERP software as well as AST as the system integrator as a result of final negotiations and BAFO (best and final offer).

Oracle ERP implementation will be undertaken in six (6) phases with the Phase 1 for Financials anticipated to go-live in October 2020.

No LSBE participation

PROCUREMENT INFORMATION

Contract Type:	Goods / Services	Award Based On:	Best Value
Commodity:	Software	Contract Number:	18-PR-CFO-56
Contractor Market:	Open Market with Preference Points for LBE and LSBE participation		


BUDGET INFORMATION

Funding:	Operating	Departments:	Finance and Procurement
Service Area:	DC Water Wide	Department Heads:	Matt Brown

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	84.61%	\$4,442,882.68
Washington Suburban Sanitary Commission	11.11%	\$583,387.62
Fairfax County	2.74%	\$143,877.78
Loudoun Water	1.33%	\$69,838.48
Other (PI)	0.21%	\$11,027.13
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$5,251,013.69

 3/10/20
 Dan Bae Date
 VP of Procurement and Compliance

 3/11/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 3/26/20
 David L. Gadis Date
 General Manager and CEO

Presented and Adopted: April 2, 2020

Subject: Approval of Amendments to the By-Laws of the District of Columbia Water and Sewer Authority to Transfer Customer Service Matters from Environmental Quality and Operations Committee to District of Columbia Retail Water and Sewer Rates Committee

**#20-30
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“the Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on April 2, 2020, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed, to take the following action to amend the By-Laws of the Authority’s Board of Directors to transfer Customer Service matters from the Environmental Quality and Operations Committee to the District of Columbia Retail Water and Sewer Rates Committee.

WHEREAS, on January 14, 2020, Executive Committee met to consider the establishment of a new Customer Relations Committee that would address customer service issues, customer educations and customer assistance program matters; and

WHEREAS, the Executive Committee discussed the history of the Board’s management of Customer Service matters, which were first managed by the Customer Service Committee prior to the Board’s adoption of Resolution #03-86 on December 4, 2003, which changed the committee’s name to the Customer and Community Services Committee; then the Board adopted Resolution #10-42 on April 1, 2010, which merged the Customer and Community Services Committee and Water Quality Committee to form the Water Quality and Water Services Committee; and finally the Board adopted Resolution #17-11 on February 2, 2017, which merged the Environmental Quality and Sewerage Services Committee with the Water Quality and Water Services Committee to form the current Environmental Quality and Operations Committee (EQ & Ops Committee); and

WHEREAS, the Executive and the General Manager determined that a new Customer Relations Committee would not be advantageous, but it would be better to transfer the customer service matters from the EQ & Ops Committee to the District of Columbia Retail Water and Sewer Rates Committee (Retail Rates Committee) because: 1) the issues addressed by the proposed Customer Relations Committee paralleled the issues that are addressed by the Retail Rates Committee, 2) the committee members would be the same District Board members and they would they would be required to meet on the

same day or another day, 3) and wholesale customer issues are distinct and more related to the operation of joint use facilities such as Blue Plains, which can be addressed by the EQ & Ops Committee; and

WHEREAS, the Executive Committee considered, but did not agree to change the name of the Retail Rates Committee, but recommended the transfer of the customer service matters from the EQ & Ops Committee to the Retail Rates Committee; and

WHEREAS, the Executive Committee further recommended the Governance Committee work to revise the By-Laws to transfer customer service matters from the EQ & Ops Committee to the Retail Rates Committee; and

WHEREAS, on March 20, 2020, the Governance Committee met to consider the amendment of Article V Committees to transfer customer service matters from the EQ & Ops Committee to the Retail Rates Committee; and

WHEREAS, the discussions from the Executive Committee and the revisions to Subparagraphs 5.01(a)(iii) and (iv) of the By-Laws were presented to the Governance Committee, and the amendments to the By-Laws entail moving the language “and customer services issues, including but not limited to customer education initiatives and customer assistance programs” from the scope of the EQ & Ops Committee to the Retail Rates Committee; and

WHEREAS, the Chairpersons of the EQ & Ops and Retail Rates Committees both concurred with the recommendation of the Executive Committee; and

WHEREAS, upon consideration of the issued discussed, the Governance Committee recommended the amendment of the By-Laws to the Board for adoption as set out in Attachment 1 to this Resolution; and

WHEREAS, on April 2, 2020, the Board of Directors, having reviewed the matter, concluded that the amendments to Subparagraphs 5.01(a)(iii) and (iv) of the By-Laws are appropriate.

NOW THEREFORE BE IT RESOLVED THAT:

1. Subparagraphs 5.01(a)(iii) and (iv) of the By-Laws of the DC Water’s Board of Directors are hereby amended as set forth in Attachment 1 of this Resolution.
2. The General Manager is authorized to take all steps necessary to implement the intentions expressed in this Resolution.

This Resolution shall be effective immediately.

Secretary to the Board of Directors

Attachment 1

**BY-LAWS
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

- Adopted – October 17, 1996; Resolution 96-11**
- Amended – February 4, 1999; Resolution 99-10**
- Amended – February 1, 2001; Resolution 01-16**
- Amended – September 12, 2002; Resolution 02-75**
- Amended – December 4, 2003; Resolution 03-86**
- Amended – July 5, 2007; Resolution 07-64**
- Amended – October 2, 2008; Resolution 08-87**
- Amended – April 1, 2010; Resolution 10-42**
- Amended – October 7, 2010; Resolution 10-100**
- Amended – December 2, 2010; Resolution 10-115**
- Amended – April 7, 2011; Resolution 11-49**
- Amended – December 5, 2013; Resolution 13-112**
- Amended – February 2, 2017; Resolution 17-11**
- Amended – September 5, 2019; Resolution 19-47**
- Proposed Amendment – April 2, 2020; Resolution 20-XX**

...

**ARTICLE V
Committees**

§ 5.01 Establishment

(a) The following shall be standing Committees of the Board, with such other responsibilities as are specified by the Chairperson or appropriate resolution of the Board, including but not limited to the review of contracts that are material to the Committee’s assigned duties. The Board may create additional standing Committees as it deems necessary. The Committees shall receive detailed information in their areas of responsibility and make recommendations to the Board. Only formal actions of the Board through resolution can bind the Authority. The chairperson of a standing or ad-hoc Committee, with the concurrence of the Chairperson of the Board, may designate an acting chairperson for the purposes of chairing a particular standing or ad-hoc Committee meeting.

...

- (iii) District of Columbia Retail Water and Sewer Rates Committee: Shall be composed of the six (6) members of the Board representing the District and shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to the establishment of rates and fees for services or commodities furnished by the Authority; and customer

services issues, including but not limited to customer education initiatives and customer assistance programs.

- (iv) Environmental Quality and Operations Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to: the assets, facilities and infrastructure owned, operated, or managed by the Authority, including but not limited to emergency planning and safety of operations; matters related to environmental and water quality; the operation, repair and replacement of water distribution, and sewage and stormwater collection, treatment, and disposal systems; and groundwater flow management; ~~and customer services issues, including but not limited to customer education initiatives and customer assistance programs.~~

Presented and Approved: April 2, 2020

SUBJECT: Approval to Exercise Option Year One (1) and Option Year Two (2) of Contract No. 19-PR-055-01, Ganntek, Inc.

**#20-31
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year One (1) and Option Year Two (2) of Contract No. 19-PR-055-01, Ganntek, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One (1) and Option Year Two (2) of Contract No. 19-PR-055-01, Ganntek, Inc. The purpose of the options is to continue the hauling and disposal of catch basin and excavation spoils, The option not-to-exceed amount is \$1,800,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR

**Hauling & Disposal of Excavation Spoils & Debris
(Non-Joint Use)**

Request to exercise Option Year 1 and 2 for the total not to exceed \$1,800,000.00 for the hauling & disposal of catch basin and excavation spoils. Each option year will be awarded annually based on the availability of the funds and performance.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Ganntek, Inc. 9713 Natalie Drive Upper Marlboro, MD 20772 LSBE	SUBS: N/A	PARTICIPATION: 100%
--	---------------------	-------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value:	\$784,200.00
Original Contract Dates:	05/01/2019 – 04/30/2020
No. of Option Years in Contract:	2
Option Year 1 Value:	\$900,000.00
Option Year 1 Dates:	05/01/2020 – 04/30/2021
Option Year 2 Value:	\$900,000.00
Option Year 2 Dates:	05/01/2021 – 04/30/2022

Purpose of the Contract:

This contract provides DC Water's Department of Sewer Services (DSS) with hauling/disposal services for excavation spoils, catch basin debris, floatable debris, trees, brush, log stumps, and general tree/wood material from various DC Water sites to landfills.

Contract Scope:

DC Water maintains three locations which accumulate waste material needing to be disposed of. The waste material includes construction/excavation spoils, catch basin debris, floatable debris, trees, brush, log stumps and general tree/wood, mechanical street sweeping debris, junk, tires, metal, dirt, leaves, and mixed trash. The Contractor provides all labor, management, supervision, personnel, and equipment required to load, haul and dispose of waste material from three DC Water sites: O Street Holding Lot Site, Benning Road Holding Lot Site, and M Street Lot Site. This process requires the vendor to have the capability of completing up to 4 trips per day, Monday through Friday.

Spending Previous Year:

Cumulative Contract Value:	05/01/2019 to 04/30/2020: \$784,200.00
Cumulative Contract Spending:	05/01/2019 to 02/05/2020: \$567,551.66

Contractor's Past Performance:

According to the COTR, the Contractor's quality of workmanship; timeliness of deliverables; conformance to DC Water's policies; and service levels all meet expectations.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Services	Contract Number:	19-PR-DSS-01
Contractor Market:	Open Market with Preference Points for LBE and LSBE participation		


BUDGET INFORMATION

Funding:	Operating	Department:	DSS
Service Area:	Various Sites	Department Head:	Dunbar Regis

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$1,800,000.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun Water	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00	\$1,800,000.00

 3/5/20
 Biju George Date
 EVP Operations and Engineering

 3/6/2020
 Dan Bae Date
 VP of Procurement and Compliance

 3/11/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 3/26/20
 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: April 2, 2020

Subject: Authorizing and Approving the Execution and Delivery of Documents Relating to the Delivery of Substitute Letters of Credit associated with the Commercial Paper Notes

#20-32
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“Authority”), at the Board meeting held on April 2, 2020, upon consideration of a non-joint use matter, decided by a vote of ____ () in favor and ____ () opposed, to authorize and approve the execution and delivery of documents relating to the delivery of Substitute Letters of Credit associated with the Authority’s Commercial Paper Notes.

WHEREAS, pursuant to Resolution #10-60, adopted by the Board on May 6, 2010, the Authority previously authorized and executed agreements to issue 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 “Notes”), in an aggregate principal amount not to exceed \$75,000,000 outstanding at any one time; and

WHEREAS, the Series A Notes, the Series B Notes and the Series C Notes were initially secured by separate letters of credit (collectively, the “2010 Letters of Credit”) issued by JPMorgan Chase Bank, National Association securing the Series A Notes and Series B Notes and U.S. Bank National Association securing the Series C Notes; and

WHEREAS, pursuant to Resolution #13-41, adopted by the Board on April 4, 2013, the Authority authorized the extension of the terms of the 2010 Letters of Credit and authorized the decrease of 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, adopted by the Board on 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 (iv) obtaining substitute Letters of Credit (collectively, the “2015 Substitute Letters of Credit”) from Landesbank Hessen-Thüringen Girozentrale, acting through its New York branch, to secure the Series B Notes and Series C Notes, respectively.

WHEREAS, each of the 2015 Substitute Letters of Credit expires on May 15, 2020;

WHEREAS, the Authority now desires to obtain substitute Letters of Credit (each a “2020 Substitute Letter of Credit” and, together, the “2020 Substitute Letters of Credit”) from TD Bank, N.A (the “Bank”) to secure the Series B Notes and Series C Notes, respectively, which 2020 Substitute Letters of Credit will each expire in May 2025; 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) the Third Amendment to the Eleventh Supplemental Indenture of Trust, dated as of May 1, 2020 (the “Third Amendment to the Eleventh Supplemental Indenture”), between the Authority and the Trustee;
- (b) the Letter of Credit and Reimbursement Agreement (the “Series B Notes Reimbursement Agreement”) dated as of May 1, 2020, between the Authority and the Bank, pursuant to which the 2020 Substitute Letter of Credit relating to the Series B Notes will be issued;
- (c) the Letter of Credit and Reimbursement Agreement (the “Series C Notes Reimbursement Agreement” and, together with the Series B Notes Reimbursement Agreement, the “Reimbursement Agreements”) dated as of May 1, 2020, between the Authority and the Bank, pursuant to which the 2020 Substitute Letter of Credit relating to the Series C Notes will be issued;
- (d) the form of the Bank Note related to the Series B Notes (the “Series B Bank Note”) attached as an exhibit to the Series B Notes Reimbursement Agreement to bear interest at the Bank Rate or the Default Rate or as otherwise provided in the Series B Notes Reimbursement Agreement;
- (e) the form of the Bank Note related to the Series C Notes (the “Series C Bank Note” and, together with the Series B Bank Note, the “Bank Notes”) attached as an exhibit to the Series C Notes Reimbursement Agreement to bear interest at the Bank Rate or the Default Rate or as otherwise provided in the Series C Notes Reimbursement Agreement;
- (f) an Updated Offering Memorandum (the “Updated Offering Memorandum”); and
- (g) Second Amendment to Dealer Agreement relating to the Series B Notes and the Series C Notes (the “Second Amendment to J.P. Morgan Dealer Agreement”), dated as of May 1, 2020, between the Authority and J.P. Morgan Securities LLC, as dealer for the Series B Notes and the Series C Notes (the “Dealer”); and

WHEREAS, the Finance and Budget Committee met on March 26, 2020, to review matters covered in this Resolution and has recommended approval of this Resolution by the Board.

NOW, THEREFORE BE IT RESOLVED THAT:

1. The Dealer is to distribute the Updated Offering Memorandum to potential purchasers of the Series B Notes and Series C Notes.
2. The Chairman of the Board (the "Chairman"), the CEO and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, Controller, Budget Director, Finance Director and Rates and Revenue Director 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, are individually authorized to execute the Third Amendment to the Eleventh Supplemental Indenture, the Reimbursement Agreements, the Bank Notes and the Second Amendment to J.P. Morgan Dealer Agreement, and the Secretary to the Board is authorized and directed to affix the Seal of the Authority on such documents as required and to attest to the same.
3. The Chief Financial Officer and Executive Vice President, Finance and Procurement, is hereby individually authorized to approve any changes, modifications or updates of the Updated Offering Memorandum from time to time.
4. The Third Amendment to the Eleventh Supplemental Indenture, the Reimbursement Agreements, the Bank Notes and the Second Amendment to J.P. Morgan Dealer Agreement shall be in substantially the forms submitted to the Board at 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 Series B Notes and Series C Notes, and as otherwise may be approved by the persons executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.
5. The CEO and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, Controller, Budget Director, Finance Director and Rates and Revenue Director of the Authority, are individually authorized to execute, deliver and file, from time to time, all other certificates and instruments, and any agreements, and any amendment or modification to existing agreements, with the provider of any credit facility or liquidity facility for the Series B Notes and Series C Notes., including, without limitation, the Bank, 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 Series B Notes and Series C Notes.
6. 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.
7. This Resolution shall serve as an amendment and supplement to Resolution #10-60, Resolution #13-41 and Resolution #15-42.

This Resolution is effective immediately.

Secretary to the Board of Directors

DRAFT
03-10-20

SECOND AMENDMENT TO DEALER AGREEMENT

This Second Amendment to Dealer Agreement (this “**Agreement**”), dated as of May 1, 2020, is between the District of Columbia Water and Sewer Authority, an independent authority of the District of Columbia government (the “**Authority**”), and J.P. Morgan Securities Inc. (the “**Dealer**” or “**J.P. Morgan**”), and amends that certain Dealer Agreement between the Authority and the Dealer, dated as of June 1, 2010, as previously amended by the First Amendment to Dealer Agreement between the Authority and the Dealer, dated as of May 1, 2015 (collectively, the “**Original Agreement**”). In order to amend the Original Agreement and facilitate the sale of the Authority’s Commercial Paper Notes, Series B and C, the Authority and the Dealer agree as follows:

I. Authorization of Amendments.

This Agreement is authorized and executed pursuant to and in accordance with Section 11 of the Original Agreement. All defined terms used but not defined herein shall have the meaning provided such defined term in the Original Agreement.

II. Amendments.

Section 1 of the Original Agreement shall be amended and the following terms found therein shall be revised as follows:

1. Definitions

“**Bank**” shall mean TD Bank, N.A., as issuer of the Letter of Credit for the Authority’s Commercial Paper Notes, Series B and the Letter of Credit for the Authority’s Commercial Paper Notes, Series C, or any successor thereto, and any issuer or issuers of an alternate Letters of Credit with respect to the Notes.

“**Offering Memorandum**” means the Offering Memorandum relating to the Notes dated as of May 26, 2010, as such Offering Memorandum was supplemented on April 5, 2013, May 13, 2015 and May ___, 2020, respectively, and any amendment or supplement thereto.

“**Reimbursement Agreement**” means, together, each of the Letter of Credit and Reimbursement Agreements dated as of May 1, 2020, between the Authority and the Bank pursuant to which the Letter of Credit securing each respective series of the Notes has been issued, as amended or supplemented, and including any substitute thereof or replacement therefor.

III. Miscellaneous.

A. Severability. If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Agreement shall be construed and enforced as if such illegal provision had not been contained herein.

B. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

C. Applicable Law. This Agreement shall be governed by the applicable laws of the District of Columbia.

D. Counterparts. This Agreement 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.

E. Effect of Amendment. Except as specifically amended herein, the Original Agreement shall continue in full force and effect in accordance with its terms. Reference to this Agreement need not be made in any note, document, agreement, letter, certificate, or any communication issued or made subsequent to or with respect to the Original Agreement, it being hereby agreed that any reference to the Original Agreement shall be sufficient to refer to the Original Agreement, as hereby amended.

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: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

APPROVED AS TO FORM:

J.P. MORGAN SECURITIES INC.

By: _____
Title: _____

DRAFT
03-10-20

**THIRD AMENDMENT TO
ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST**

THIS THIRD AMENDMENT TO ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST dated the ___ day of May, 2020, (the “**Third Amendment to Eleventh Supplemental Indenture**”), by and between the District of Columbia Water and Sewer Authority (the “**Authority**”), an independent authority of the District of Columbia, and Wells Fargo Bank, N.A., a national banking association, having a corporate trust office in Philadelphia, Pennsylvania, as trustee (in such capacity, together with any successor in such capacity, herein called the “**Trustee**”), amending the Eleventh Supplemental Indenture of Trust dated as of June 1, 2010, as previously amended by the First Amendment to Eleventh Supplemental Indenture, dated April 5, 2013, and the Second Amendment to Eleventh Supplemental Indenture, dated May 18, 2015 (collectively, the “**Eleventh Supplemental Indenture**”), by and between the Authority and the Trustee, provides:

WHEREAS, pursuant to the Eleventh Supplemental Indenture, the Authority is currently authorized to issue, and continue to issue, to finance Costs of the System, \$-0- aggregate principal amount of its Commercial Paper Notes, Series A (the “**Series A Notes**”), \$100,000,000 aggregate principal amount of its Commercial Paper Notes, Series B (the “**Series B Notes**”) and \$50,000,000 aggregate principal amount of its Commercial Paper Notes, Series C (the “**Series C Notes**,” and together with the Series A Notes and the Series B Notes, the “**Series A-B-C Notes**”) pursuant to the terms of a certain Issuing and Paying Agency Agreement, dated as of June 1, 2010, as amended, between the Authority and U.S. Bank National Association, as successor to Deutsche Bank Trust Company Americas, as issuing and paying agent thereunder; and

WHEREAS, the Series B Notes are secured by an irrevocable direct pay letter of credit (the “**2015 Series B Letter of Credit**”) issued by Landesbank Hessen-Thüringen Girozentrale, New York Branch (“**Landesbank**”) pursuant to the terms of a certain Letter of Credit and Reimbursement Agreement dated as of May 1, 2015, between the Authority and Landesbank relating to the Series B Notes; and

WHEREAS, the Series C Notes are secured by an irrevocable direct pay letter of credit (the “**2015 Series C Letter of Credit**” and, together with the 2015 Series B Letter of Credit, the “**2015 Letters of Credit**”) issued by Landesbank pursuant to the terms of a certain Letter of Credit and Reimbursement Agreement dated as of May 1, 2015, between the Authority and Landesbank relating to the Series C Notes; and

WHEREAS, each of the 2015 Letters of Credit expires on May 15, 2020 and the Authority now desires to obtain substitute irrevocable direct pay letters of credit (each, a “**Substitute Letter of Credit**” and, together, the “**Substitute Letters of Credit**”) from TD Bank N.A. (the “**Bank**”), to secure the Series B Notes and the Series C Notes, respectively, which Substitute Letters of Credit will be issued by the Bank pursuant to a Letter of Credit and Reimbursement Agreement, dated as of May 1, 2020, between the Authority and the Bank, relating to the Series B Notes and a Letter of Credit and Reimbursement Agreement, dated as of May 1, 2020, between the Authority and the Bank, relating to the Series C Notes;

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

**ARTICLE I
THIRD AMENDMENT TO ELEVENTH SUPPLEMENTAL INDENTURE**

Section 101. Authorization of Amendments.

This Third Amendment to Eleventh 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 defined terms used herein and not defined herein shall have the meaning assigned to such defined terms in the Eleventh Supplemental Indenture.

Section 102. Amendments.

Section 102 of the Eleventh Supplemental Indenture shall be amended and the following terms found therein shall be replaced as follows:

“**Bank**” shall mean the provider of the Letter of Credit, and shall mean, initially, TD Bank N.A., and its successors and assigns.

“**Letter of Credit**” shall mean, collectively, the Irrevocable Transferable Letter of Credit No. _____ in a Maximum Stated Amount of \$[102,958,204] securing the Series B Notes and the Irrevocable Transferable Letter of Credit No. _____ in a Maximum Stated Amount of \$[51,479,452] securing the Series C Notes, each issued by the Bank and dated May __, 2020, as each may be amended or supplemented from time to time, and any substitute Letter or Letters of Credit.

“**Reimbursement Agreement**” shall mean, collectively, those certain Letter of Credit and Reimbursement Agreements, dated as of May 1, 2020, between the Authority and the Bank, relating to the Series B Notes and the Series C Notes, respectively.

**ARTICLE II
MISCELLANEOUS**

Section 201. Severability.

If any provision of this Third Amendment to Eleventh Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Third Amendment to Eleventh Supplemental Indenture shall be construed and enforced as if such illegal provision had not been contained herein.

Section 202. Successors and Assigns.

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

Section 203. Applicable Law.

This Third Amendment to Eleventh Supplemental Indenture shall be governed by the applicable laws of the District of Columbia.

Section 204. Counterparts.

This Third Amendment to Eleventh 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.

Section 205. Effect of Amendment.

Except as specifically amended herein, the Eleventh Supplemental Indenture shall continue in full force and effect in accordance with its terms. Reference to this Third Amendment to Eleventh Supplemental Indenture need not be made in any note, document, agreement, letter, certificate, the Eleventh Supplemental Indenture or any communication issued or made subsequent to or with respect to the Eleventh Supplemental Indenture, it being hereby agreed that any reference to the Eleventh Supplemental Indenture shall be sufficient to refer to the Eleventh Supplemental Indenture, as hereby amended.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Third Amendment to Eleventh 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: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Its _____

SPB DRAFT: 3/31/2020

BOOK-ENTRY ONLY

UPDATED OFFERING MEMORANDUM

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

\$100,000,000
Commercial Paper Notes
Series B (Tax-Exempt)

J.P. Morgan
As Dealer

\$50,000,000
Commercial Paper Notes
Series C (Taxable)

J.P. Morgan
As Dealer

Dated: May 1, 2020

[TD LOGO]

As Letter of Credit Provider
for the Series B and the Series C Notes

SPB DRAFT: 3/31/2020

This Updated 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 Dealer, J.P. Morgan Securities LLC, has provided the following sentence for inclusion in this Offering Memorandum. The CP Dealer has 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 Dealer does 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 Dealer 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

SPB DRAFT: 3/31/2020

subject to change without notice after May __, 2020, 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 May __, 2020.

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 Dealer. Neither the information, nor any opinion expressed, constitutes a solicitation by the 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.

**UPDATED OFFERING MEMORANDUM
RELATING TO**

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

\$100,000,000
Commercial Paper Notes
Series B (Tax-Exempt)

\$50,000,000
Commercial Paper Notes
Series C (Taxable)

This Updated Offering Memorandum amends and restates that certain Offering Memorandum of the District of Columbia Water and Sewer Authority (the “Authority”) dated May 26, 2010 (the “Original Offering Memorandum”), as such Original Offering Memorandum has been amended and restated previously on the dates of April 5, 2013, May 13, 2015 and February 27, 2018, and related to the continual issuance of the Notes (as hereinafter defined). This update is being provided in connection with the anticipated issuance and delivery of the Authority’s Commercial Paper Notes, Series B (Tax-Exempt), in an aggregate principal amount not to exceed \$100,000,000 at any one time outstanding, and Commercial Paper Notes, Series C (Taxable), in an aggregate principal amount not to exceed \$50,000,000 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 17.8 million annual visitors in the District 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, \$5.45 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 at (202) 787-2000.

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 Letters 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 Letters of Credit” herein.

Issuance of the Notes: The Authority has issued and continues to issue its Commercial Paper Notes, Series B (Tax-Exempt) (the “Series B Notes”), in an aggregate principal amount not to exceed \$100,000,000 at any one time outstanding, and its Commercial Paper Notes, Series C (Taxable) (the “Series C Notes” and, together with the Series B Notes, the “Notes”) in an aggregate principal amount not to exceed \$50,000,000 at any one time outstanding. The Notes are issued pursuant to resolutions adopted by the Board on May 6, 2010, April 4, 2013, May 7, 2015 and April 2, 2020 (collectively, the “Resolution”), and an Issuing and Paying Agency Agreement dated as of June 1, 2010 (the “Issuing and Paying Agency Agreement”) between the Authority and U.S.

Bank National Association, as successor in interest to Deutsche Bank Trust Company Americas (the “Issuing and Paying Agent”).

Amount of Notes: The Board has authorized the issuance of the Authority’s (i) Commercial Paper Notes, Series A Notes in an aggregate principal amount not to exceed \$0 at any one time outstanding,* (ii) Series B Notes in an aggregate principal amount not to exceed \$100,000,000 at any one time outstanding, and (iii) Series C Notes in an aggregate principal amount not to exceed \$50,000,000 at any one time outstanding.

Plan of Finance: Proceeds of the Notes will be used to provide funds to pay (i) Costs of the System, (ii) obligations of the Bank under each Bank Note resulting from draws under the Letters of Credit, and (iii) the costs of issuance of the Notes.

Issuing and Paying Agent: U.S. Bank National Association, as successor in interest to Deutsche Bank Trust Company Americas, will act as Issuing and Paying Agent for the Notes.

Dealer: J.P. Morgan Securities LLC (the “CP Dealer”) will serve as commercial paper dealer for the offering of the Notes to qualifying investors, pursuant to the terms of the Commercial Paper Dealer Agreement between the Authority and the CP Dealer, dated as of June 1, 2010, as amended by the First Amendment to Dealer Agreement, dated May 18, 2015 and the Second Amendment to the Dealer Agreement, dated May __, 2020 (collectively, 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, as appropriate, and actual days elapsed for the Series B Notes, and calculated on the basis of a 360-day year, actual days elapsed, for the Series C Notes. 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 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 days prior to the expiration of the appropriate Letter of Credit delivered in connection with such Series of Notes, which expiration date is currently May __, 2020. The Notes are not subject to redemption prior to maturity. The Notes will be sold at their par amount.

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.

* Accordingly, there will be no future offer or sale of any Series A Notes unless and until the Board authorizes an increase in the maximum aggregate principal amount of such Notes that may be outstanding at any one time, and such other actions necessary to facilitate the sale of any Series A Notes.

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. 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 either of its Letters 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 Letters of Credit and use the proceeds of the Drawings and, to the extent needed, other Pledged Funds, to repay the 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 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 Letters of Credit. The Authority and TD Bank, N.A. (the “Bank”), have entered into a Letter of Credit and Reimbursement Agreement, dated as of May 1, 2020 relating to the Series B Notes, (the “Series B Reimbursement Agreement”), and the Authority and the Bank have entered into a Letter of Credit and Reimbursement Agreement, dated as of May 1, 2020 relating to the Series C Notes (the “Series C Reimbursement Agreement” and, together with the Series B Reimbursement Agreement, the “Reimbursement Agreements”). In order to ensure timely payment of the principal of and interest on the Notes, at the Authority’s request, the Bank has issued a Letter of Credit for the Series B Notes (“Series B Letter of Credit”), and a Letter of Credit for the Series C Notes (“Series C Letter of Credit” and, together with the Series B Letter of Credit, the “Letters of Credit”) to the Issuing and Paying Agent as beneficiary pursuant to, and upon the terms and conditions stated in, the Reimbursement Agreements. On or before the date of maturity of any Note, the Issuing and Paying Agent shall draw on the appropriate 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 Letters 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 Series B Letter of Credit has been issued in a stated principal amount of up to \$100,000,000, and the Series C Letter of Credit has been issued in a stated principal amount of up

to \$50,000,000, in each case with interest thereon at the Maximum Rate for the Maximum Term, each of which may be drawn upon by the Issuing and Paying Agent to pay the principal amount of and interest on the applicable series of maturing Notes. Unless further extended, the current expiration date of each Letter of Credit is April __, 20__.

The Authority will at all times maintain the Letters 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.

Letter of Credit Substitution Date: May 1, 2020.

Current Letter of Credit Expiration Date: April __, 202__.

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:

[_____ TO BE COMPLETED BY BANK CLOSER TO PUBLISHING _____.]

Tax Status of Interest on the Notes:

- **Series B Notes.** On June 2, 2010, the date of issuance of the Series B Notes, Squire Patton Boggs (US) LLP* and Leftwich LLC†, Co-Bond Counsel (“Co-Bond Counsel”), delivered their opinions to the effect that as of that date, under then-existing law and assuming compliance with certain covenants in the documents pertaining to the Series B Notes and certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Series B Notes was (a) excluded from gross income of Bondholders for federal income tax purposes under Section 103

* Known as Squire, Sanders & Dempsey L.L.P. on the date of issuance of the Series B Notes.

† Known as Leftwich & Ludaway, LLC, on the date of issuance of the Series B Notes.

of the Code, and (b) exempt from all District of Columbia taxation except estate, inheritance and gift taxes. That opinion speaks only as of its date.

On the Letter of Credit Substitution Date, Co-Bond Counsel delivered an opinion to the effect that the delivery of the Series B Letter of Credit (a) is authorized under the Issuing and Paying Agency Agreement, and (b) will not, in and of itself, affect adversely affect either the exclusion of interest on the Series B Notes from gross income of Holders for federal income tax purposes or the exemption of interest on the Series B Notes from treatment as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. That opinion speaks only as of its date.

No opinion was or will be expressed by Co-Bond Counsel as to other tax consequences related to the ownership or disposition of, or accrual or receipt of interest on, the Series B Notes, including, specifically, whether the interest on the Series B Notes is currently excluded from gross income for federal income tax purposes. Other than matters relating to the delivery of the Series B Letter of Credit reviewed by Co-Bond Counsel in regards to the substitution of the applicable Letter of Credit, Co-Bond Counsel has not been requested, nor has it undertaken to review any matters related to the validity, enforceability, or tax-exempt status of the Series B Notes or the interest thereon

- **Series C Notes.** On June 2, 2010, the date of issuance of the Series C Notes, Co-Bond Counsel delivered their opinions to the effect that as of that date, under then-existing law and assuming compliance with certain covenants in the documents pertaining to the Series C Notes, interest on the Series C 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 Series C Notes. That opinion speaks only as of its date.

On the Letter of Credit Substitution Date, Co-Bond Counsel delivered an opinion to the effect that the delivery of the Series C Letter of Credit is authorized under the Issuing and Paying Agency Agreement. Other than matters relating to the delivery of the Series C Letter of Credit reviewed by Co-Bond Counsel in regards to the substitution of the applicable Letter of Credit, Co-Bond Counsel has not been requested, nor has it undertaken to review any matters related to the validity, enforceability, or tax-exempt status of the Series C Notes or the interest thereon. 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:

Series B Notes

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch, Inc.</u>
Short Term	P-1	A-1	F1+

Series C Notes

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch, Inc.</u>
Short Term	P-1	A-1	F1+

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 Letters 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 Letters of Credit and agreements 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 Letters of Credit also are on file with the Issuing and Paying Agent for the Notes.

The Appendix is 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.

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.

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

between

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

and

TD BANK, N.A.

Relating to

Not Exceeding \$100,000,000
Commercial Paper Notes, Series B

Dated as of May 1, 2020

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	1
Section 1.01. Definitions	1
Section 1.02. Accounting Matters	7
Section 1.03. Interpretation	7
Section 1.04. Relation to Other Documents	7
ARTICLE II ISSUANCE OF LETTER OF CREDIT; REIMBURSEMENT, FEES AND PAYMENT PROVISIONS	8
Section 2.01. Issuance of the Letter of Credit	8
Section 2.02. Interest on Principal Drawings	8
Section 2.03. Reimbursement of Drawings	8
Section 2.04. Default Rate	9
Section 2.05. Fees	9
Section 2.06. Costs, Expenses and Taxes	9
Section 2.07. Increased Costs; Reduced Return	9
Section 2.08. Method of Payment	11
Section 2.09. Maintenance of Accounts	11
Section 2.10. Cure	11
Section 2.11. Withholding	11
Section 2.12. Bank Note	11
Section 2.13. Prepayment	12
Section 2.14. Reductions of Stated Amount and Termination of the Letter of Credit	12
Section 2.15. Maximum Lawful Rate	12
ARTICLE III CONDITIONS PRECEDENT	13
Section 3.01. Authority Resolutions	13
Section 3.02. Regulatory Approvals	13
Section 3.03. Incumbency Certificates	13
Section 3.04. Opinion of Counsel for the Authority	13
Section 3.05. Opinion of Bond Counsel	13
Section 3.06. Related Documents	13
Section 3.07. Other Certificates	14
Section 3.08. Ratings	14
Section 3.09. Authority Certificate	14
Section 3.10. Payment of Fees and Expenses	14
Section 3.11. Bank Note	14
Section 3.12. KYC Information	14
Section 3.13. Other Documents	14
ARTICLE IV REPRESENTATIONS AND WARRANTIES	14
Section 4.01. Status	14
Section 4.02. Power and Authority	14
Section 4.03. Enforceability	15
Section 4.04. No Conflict	15
Section 4.05. Consents	15
Section 4.06. No Litigation	15
Section 4.07. Default	15
Section 4.08. Disclosure	15
Section 4.09. Notes; Parity Indebtedness	16

Section 4.10. Incorporation of Representations and Warranties	16
Section 4.11. Employment Benefit Plan Compliance	16
Section 4.12. Financial Statements.....	16
Section 4.13. No Proposed Legal Changes.....	17
Section 4.14. Margin Stock	17
Section 4.15. Permitted Investments	17
Section 4.16. Environmental Laws.....	17
Section 4.17. Insurance.....	17
Section 4.18. Anti-Corruption Laws and Sanctions	17
ARTICLE V COVENANTS	17
Section 5.01. Payment Obligations.....	17
Section 5.02. Related Documents.....	18
Section 5.03. Access to Books and Records; Reporting Requirements.....	18
Section 5.04. Compliance with Laws	20
Section 5.05. Notices	20
Section 5.06. Certain Information	20
Section 5.07. Liquidity	20
Section 5.08. Appointment of Successors and Replacements	20
Section 5.09. Maintenance of Franchises	20
Section 5.10. Accounting Methods and Fiscal Year.....	21
Section 5.11. Employment Benefit Plans	21
Section 5.12. Additional Obligations	21
Section 5.13. Permitted Liens.....	21
Section 5.14. Provisions to Facilitate Payments.....	21
Section 5.15. Taxes and Liabilities.....	22
Section 5.16. Payment of Fees.....	22
Section 5.17. Maintenance of Existence; No Merger	22
Section 5.18. Use of Proceeds	23
Section 5.19. Further Assurances	23
Section 5.20. Investment Guidelines	23
Section 5.21. Exempt Status	23
Section 5.22. Regulation.....	23
Section 5.23. Hedge Agreements	23
Section 5.24. Sovereign Immunity Defense	24
Section 5.25. Compliance with Anti-Corruption Laws and Sanctions	24
Section 5.26. Rating Confirmation Before Defeasance.....	24
Section 5.27. Reimbursement of Prior Letter of Credit Bank	24
ARTICLE VI EVENTS OF DEFAULT	24
Section 6.01. Events of Default.....	24
Section 6.02. Rights and Remedies	26
ARTICLE VII NATURE OF OBLIGATIONS; INDEMNIFICATION	26
Section 7.01. Obligations Absolute	26
Section 7.02. Continuing Obligation.....	27
Section 7.03. Liability of the Bank.....	27
Section 7.04. Indemnification.....	27
Section 7.05. Facsimile Documents	28
ARTICLE VIII TRANSFER, REDUCTION OR EXTENSION OF LETTER OF CREDIT	28

Section 8.01. Transfer, Reduction and Reinstatement..... 28
Section 8.02. Extension 28
ARTICLE IX MISCELLANEOUS..... 29
Section 9.01. Right of Setoff..... 29
Section 9.02. Amendments and Waivers..... 29
Section 9.03. No Waiver; Remedies..... 29
Section 9.04. Notices 29
Section 9.05. Severability 30
Section 9.06. GOVERNING LAW 30
Section 9.07. Headings 30
Section 9.08. Participations; Assignments by Bank to Federal Reserve Bank..... 30
Section 9.09. Counterparts 31
Section 9.10. Complete and Controlling Agreement..... 31
Section 9.11. WAIVER OF JURY TRIAL 31
Section 9.12. USA PATRIOT Act Notice..... 31

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 May 1, 2020 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 established its current commercial paper program in 2010 to finance certain costs incurred 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 is currently authorized to issue and sell from time to time its Commercial Paper Notes, Series B and Series C in aggregate principal amounts outstanding at any time not to exceed \$100,000,000 and \$50,000,000, respectively, in accordance with the Resolution and the Issuing and Paying Agency Agreement; and

WHEREAS, the Authority has determined to terminate the separate letters of credit that currently support its Commercial Paper Notes, Series B and Series C and has requested that the Bank provide, in substitution for such letters of credit, two irrevocable letters of credit, one to support the payment of the principal of and interest on the Authority's Commercial Paper Notes, Series B and the other to support the payment of the principal of and interest on the Authority's Commercial Paper Notes, Series C; and

WHEREAS, subject to the terms and conditions set forth herein, the Bank is willing to issue, pursuant to this Agreement, the Letter of Credit in support of the Authority's Commercial Paper Notes, Series B; and

WHEREAS, pursuant to a separate letter of credit and reimbursement agreement between the Authority and the Bank entered into concurrently herewith, the Bank also intends to issue an irrevocable letter of credit in support of the Authority's Commercial Paper Notes, Series C 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 90th day thereafter, the higher of (a) the Base Rate and (b) 3.50% and (ii) from the 91st day and thereafter, the higher of (a) the Base Rate plus 1.00% and (b) 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 Wall Street Journal prime rate of interest or (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 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 May __, 2020, 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 is J.P. Morgan Securities LLC.

"*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 June 1, 2010, as amended, 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 Eleventh Supplemental Indenture of Trust dated as of June 1, 2010, as amended, each between the Authority and Wells Fargo Bank, National Association, 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, Series B.

"*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.

"*Principal Drawing*" means that portion of each Drawing used to pay the principal of Notes at maturity.

"*Prior Letter of Credit Bank*" means Landesbank Hessen-Thüringen Girozentrale, New York Branch, as issuer of the letter of credit to be replaced by the Letter of Credit.

"*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, collectively, the resolutions adopted by the Board of Directors of the Authority on May 6, 2010, April 14, 2013, April 30, 2015 and April 2, 2020.

"*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.

"*Series C Reimbursement Agreement*" means the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 by and between the Authority and the Bank providing for the issuance by the Bank of an irrevocable letter of credit in support of the Authority's Commercial Paper Notes, Series C, as amended, supplemented or modified from time to time.

"*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 (x) the Base Rate plus three percent (3.00%) and (y) 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 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 Parker, Poe, Adams & Bernstein LLP, 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" , a rating letter from Moody's which confirms that the Notes have received a short-term rating of "P-1" and a rating letter from Fitch which confirms that the Notes have received a short-term rating of "F-1".

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, 2019 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, 2019, of KPMG LLC, 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, 2019, 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 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 LLC, 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 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 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 of J.P. Morgan Securities LLC as the 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 (v) 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 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. Reimbursement of Prior Letter of Credit Bank. The proceeds of all Notes issued on the Closing Date will be applied first to any reimbursement obligations owing to the Prior Letter of Credit Bank. In the event such proceeds are not sufficient to pay such reimbursement obligations in full, so long as any such reimbursement obligations remain outstanding the Authority will use its best efforts to issue Notes and will apply all proceeds thereof to such reimbursement obligations until such reimbursement obligations have been paid in full.

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) an Event of Default (as defined in the Series C Reimbursement Agreement) or 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 Agreement or (ii) the validity or enforceability of this 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.

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. 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 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. 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.

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, S.E.
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, Virginia 22182
Attention: Christopher C. Arabia
Telephone: (703) 663-4975
Facsimile: (703) 663-4367

For Draws:
TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, NJ 08054
Attention: Darleen M. Strieffler
Telephone: (856) 533-6562
Facsimile: (856) 533-6562

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 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: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

[Signatures continued on following page]

[Signature Page to DC Water/TD Reimbursement Agreement – Series B]

S-1

TD BANK, N.A., as the Bank

By _____
Name:
Title:

Wire Instructions:

TD Bank, N.A.
ABA#: _____
Account: _____
Acct # _____
Ref: DC Water, Commercial Paper Notes, Series B

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 Reimbursement Agreement – Series B]

EXHIBIT A

FORM OF BANK NOTE

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BANK NOTE, SERIES B**

\$102,958,204

May __, 2020

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) \$102,958,204 and (b) the unpaid principal amount due and owing to the Bank under that Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (the "Reimbursement Agreement") by and between the Authority and the Bank relating to the Authority's Commercial Paper Notes, Series B. 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 June 1, 2010, as amended (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 Authority has issued this Bank Note and caused the same to be signed by its Chief Financial Officer and Executive Vice President, Finance and Procurement and attested by its Secretary.

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

Attest:.

Name: _____
Title: Secretary

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

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

between

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

and

TD BANK, N.A.

Relating to

Not Exceeding \$50,000,000
Commercial Paper Notes, Series C

Dated as of May 1, 2020

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	1
Section 1.01. Definitions	1
Section 1.02. Accounting Matters	7
Section 1.03. Interpretation	7
Section 1.04. Relation to Other Documents	7
ARTICLE II ISSUANCE OF LETTER OF CREDIT; REIMBURSEMENT, FEES AND PAYMENT PROVISIONS	8
Section 2.01. Issuance of the Letter of Credit	8
Section 2.02. Interest on Principal Drawings	8
Section 2.03. Reimbursement of Drawings	8
Section 2.04. Default Rate	9
Section 2.05. Fees	9
Section 2.06. Costs, Expenses and Taxes	9
Section 2.07. Increased Costs; Reduced Return	9
Section 2.08. Method of Payment	11
Section 2.09. Maintenance of Accounts	11
Section 2.10. Cure	11
Section 2.11. Withholding	11
Section 2.12. Bank Note	11
Section 2.13. Prepayment	12
Section 2.14. Reductions of Stated Amount and Termination of the Letter of Credit	12
Section 2.15. Maximum Lawful Rate	12
ARTICLE III CONDITIONS PRECEDENT	13
Section 3.01. Authority Resolutions	13
Section 3.02. Regulatory Approvals	13
Section 3.03. Incumbency Certificates	13
Section 3.04. Opinion of Counsel for the Authority	13
Section 3.05. Opinion of Bond Counsel	13
Section 3.06. Related Documents	13
Section 3.07. Other Certificates	14
Section 3.08. Ratings	14
Section 3.09. Authority Certificate	14
Section 3.10. Payment of Fees and Expenses	14
Section 3.11. Bank Note	14
Section 3.12. KYC Information	14
Section 3.13. Other Documents	14
ARTICLE IV REPRESENTATIONS AND WARRANTIES	14
Section 4.01. Status	14
Section 4.02. Power and Authority	14
Section 4.03. Enforceability	15
Section 4.04. No Conflict	15
Section 4.05. Consents	15
Section 4.06. No Litigation	15
Section 4.07. Default	15
Section 4.08. Disclosure	15
Section 4.09. Notes; Parity Indebtedness	16

Section 4.10. Incorporation of Representations and Warranties	16
Section 4.11. Employment Benefit Plan Compliance	16
Section 4.12. Financial Statements.....	16
Section 4.13. No Proposed Legal Changes.....	17
Section 4.14. Margin Stock	17
Section 4.15. Permitted Investments	17
Section 4.16. Environmental Laws.....	17
Section 4.17. Insurance.....	17
Section 4.18. Anti-Corruption Laws and Sanctions	17
ARTICLE V COVENANTS	17
Section 5.01. Payment Obligations.....	17
Section 5.02. Related Documents.....	18
Section 5.03. Access to Books and Records; Reporting Requirements.....	18
Section 5.04. Compliance with Laws	20
Section 5.05. Notices	20
Section 5.06. Certain Information	20
Section 5.07. Liquidity	20
Section 5.08. Appointment of Successors and Replacements	20
Section 5.09. Maintenance of Franchises	20
Section 5.10. Accounting Methods and Fiscal Year.....	21
Section 5.11. Employment Benefit Plans	21
Section 5.12. Additional Obligations	21
Section 5.13. Permitted Liens.....	21
Section 5.14. Provisions to Facilitate Payments.....	21
Section 5.15. Taxes and Liabilities.....	22
Section 5.16. Payment of Fees.....	22
Section 5.17. Maintenance of Existence; No Merger	22
Section 5.18. Use of Proceeds	23
Section 5.19. Further Assurances	23
Section 5.20. Investment Guidelines	23
Section 5.21. Exempt Status	23
Section 5.22. Regulation.....	23
Section 5.23. Hedge Agreements	23
Section 5.24. Sovereign Immunity Defense	24
Section 5.25. Compliance with Anti-Corruption Laws and Sanctions.....	24
Section 5.26. Rating Confirmation Before Defeasance.....	24
Section 5.27. Reimbursement of Prior Letter of Credit Bank	24
ARTICLE VI EVENTS OF DEFAULT	24
Section 6.01. Events of Default.....	24
Section 6.02. Rights and Remedies	26
ARTICLE VII NATURE OF OBLIGATIONS; INDEMNIFICATION	26
Section 7.01. Obligations Absolute	26
Section 7.02. Continuing Obligation.....	27
Section 7.03. Liability of the Bank.....	27
Section 7.04. Indemnification.....	27
Section 7.05. Facsimile Documents	28
ARTICLE VIII TRANSFER, REDUCTION OR EXTENSION OF LETTER OF CREDIT	28

Section 8.01. Transfer, Reduction and Reinstatement..... 28
Section 8.02. Extension 28
ARTICLE IX MISCELLANEOUS..... 29
Section 9.01. Right of Setoff..... 29
Section 9.02. Amendments and Waivers..... 29
Section 9.03. No Waiver; Remedies..... 29
Section 9.04. Notices 29
Section 9.05. Severability..... 30
Section 9.06. GOVERNING LAW 30
Section 9.07. Headings..... 30
Section 9.08. Participations; Assignments by Bank to Federal Reserve Bank..... 30
Section 9.09. Counterparts 31
Section 9.10. Complete and Controlling Agreement..... 31
Section 9.11. WAIVER OF JURY TRIAL 31
Section 9.12. USA PATRIOT Act Notice..... 31

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 May 1, 2020 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 established its current commercial paper program in 2010 to finance certain costs incurred 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 is currently authorized to issue and sell from time to time its Commercial Paper Notes, Series B and Series C in aggregate principal amounts outstanding at any time not to exceed \$100,000,000 and \$50,000,000, respectively, in accordance with the Resolution and the Issuing and Paying Agency Agreement; and

WHEREAS, the Authority has determined to terminate the separate letters of credit that currently support its Commercial Paper Notes, Series B and Series C and has requested that the Bank provide, in substitution for such letters of credit, two irrevocable letters of credit, one to support the payment of the principal of and interest on the Authority's Commercial Paper Notes, Series B and the other to support the payment of the principal of and interest on the Authority's Commercial Paper Notes, Series C; and

WHEREAS, subject to the terms and conditions set forth herein, the Bank is willing to issue, pursuant to this Agreement, the Letter of Credit in support of the Authority's Commercial Paper Notes, Series C; and

WHEREAS, pursuant to a separate letter of credit and reimbursement agreement between the Authority and the Bank entered into concurrently herewith, the Bank also intends to issue an irrevocable letter of credit in support of the Authority's Commercial Paper Notes, Series B 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 90th day thereafter, the higher of (a) the Base Rate and (b) 3.50% and (ii) from the 91st day and thereafter, the higher of (a) the Base Rate plus 1.00% and (b) 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 Wall Street Journal prime rate of interest or (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 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 May __, 2020, 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 is J.P. Morgan Securities LLC.

"*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 June 1, 2010, as amended, 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 Eleventh Supplemental Indenture of Trust dated as of June 1, 2010, as amended, each between the Authority and Wells Fargo Bank, National Association, 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, Series C.

"*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.

"*Principal Drawing*" means that portion of each Drawing used to pay the principal of Notes at maturity.

"*Prior Letter of Credit Bank*" means Landesbank Hessen-Thüringen Girozentrale, New York Branch, as issuer of the letter of credit to be replaced by the Letter of Credit.

"*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, collectively, the resolutions adopted by the Board of Directors of the Authority on May 6, 2010, April 14, 2013, April 30, 2015 and April 2, 2020.

"*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.

"*Series B Reimbursement Agreement*" means the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 by and between the Authority and the Bank providing for the issuance by the Bank of an irrevocable letter of credit in support of the Authority's Commercial Paper Notes, Series B, as amended, supplemented or modified from time to time.

"*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 (x) the Base Rate plus three percent (3.00%) and (y) 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 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 Parker, Poe, Adams & Bernstein LLP, 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" , a rating letter from Moody's which confirms that the Notes have received a short-term rating of "P-1" and a rating letter from Fitch which confirms that the Notes have received a short-term rating of "F-1".

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, 2019 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, 2019, of KPMG LLC, 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, 2019, 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 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 LLC, 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 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 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 of J.P. Morgan Securities LLC as the 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 (v) 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 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. Reimbursement of Prior Letter of Credit Bank. The proceeds of all Notes issued on the Closing Date will be applied first to any reimbursement obligations owing to the Prior Letter of Credit Bank. In the event such proceeds are not sufficient to pay such reimbursement obligations in full, so long as any such reimbursement obligations remain outstanding the Authority will use its best efforts to issue Notes and will apply all proceeds thereof to such reimbursement obligations until such reimbursement obligations have been paid in full.

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) an Event of Default (as defined in the Series B Reimbursement Agreement) or 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 Agreement or (ii) the validity or enforceability of this 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.

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. 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 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. 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.

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, S.E.
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, Virginia 22182
Attention: Christopher C. Arabia
Telephone: (703) 663-4975
Facsimile: (703) 663-4367

For Draws:
TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, NJ 08054
Attention: Darleen M. Strieffler
Telephone: (856) 533-6562
Facsimile: (856) 533-6562

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 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: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

[Signatures continued on following page]

[Signature Page to DC Water/TD Reimbursement Agreement – Series C]

S-1

TD BANK, N.A., as the Bank

By _____
Name:
Title:

Wire Instructions:

TD Bank, N.A.
ABA#: _____
Account: _____
Acct # _____
Ref: DC Water, Commercial Paper Notes, Series C

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 Reimbursement Agreement – Series C]

EXHIBIT A

FORM OF BANK NOTE

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BANK NOTE, SERIES C**

\$51,479,452

May __, 2020

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) \$51,479,452 and (b) the unpaid principal amount due and owing to the Bank under that Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (the "Reimbursement Agreement") by and between the Authority and the Bank relating to the Authority's Commercial Paper Notes, Series C. 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 June 1, 2010, as amended (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 Authority has issued this Bank Note and caused the same to be signed by its Chief Financial Officer and Executive Vice President, Finance and Procurement and attested by its Secretary.

DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

By: _____
Matthew T. Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

Attest:.

Name: _____
Title: Secretary

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

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT

**TD BANK, N.A.
6000 ATRIUM WAY
MT. LAUREL, NJ 08054**

May __, 2020
\$102,958,204
TD Bank, N.A.
Letter of Credit
No. _____

U.S. Bank Trust National Association,
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

Attention: Ladies and Gentlemen:

At the request and for the account of the District of Columbia Water and Sewer Authority (the “*Authority*”), pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (as amended or supplemented from time to time pursuant to its terms, the “*Reimbursement Agreement*”) between the Authority and TD Bank, N.A. (the “*Bank*”), we hereby establish in favor of U.S. Bank Trust National Association, as Issuing and Paying Agent (the “*Paying Agent*”) under the Issuing and Paying Agency Agreement dated as of June 1, 2010, as amended (as may be further amended or supplemented from time to time in accordance with its terms, the “*Issuing and Paying Agency Agreement*”) between the Authority and the Paying Agent, for the holders of the Authority’s above-referenced notes (the “*Notes*”), this irrevocable transferable letter of credit (the “*Letter of Credit*”) whereby we authorize you to draw on us from time to time from and after May __, 2020 and on or prior to the Letter of Credit Termination Date referred to herein a maximum aggregate amount not exceeding One Hundred Two Million Nine Hundred Fifty-Eight Thousand Two Hundred Four Dollars (\$102,958,204) (the “*Stated Amount*”) to pay principal of and accrued interest on the Notes upon the maturity thereof in accordance with the terms hereof (such \$102,958,204 having been calculated to be equal to \$100,000,000 (the “*Principal Component*”), which is the maximum principal amount of the Notes that may be outstanding at any one time, plus \$2,958,204 (the “*Interest Component*”) which is 270 days’ interest on such maximum principal amount at the rate of 12% per annum based on a year of 365 days), in accordance with the following terms and conditions.

1. **Expiration.** This Letter of Credit shall automatically expire at the close of business on the date (the “*Letter of Credit Termination Date*”) that is the earliest to occur of:

(a) May __, 202_ ; provided that, if the Bank provides the Paying Agent with a written notice in the form of Annex G hereto that the term of this Letter of Credit shall be extended, the term of this Letter of Credit shall be extended to the date provided in such notice;

Letter of Credit No: _____
Page 1

(b) the Bank's receipt of an appropriately completed termination certificate in the form of Annex D or Annex E hereto, together with this Letter of Credit; and

(c) the date that is ten (10) days after the Paying Agent's receipt from the Bank of a written final drawing direction in the form of Annex I hereto.

In the event such expiration date shall not be a Business Day (as hereinafter defined), then this Letter of Credit shall expire on the next succeeding Business Day.

2. **Available Amount.** The amount available to be drawn hereunder from time to time the "Available Amount") will be reduced and reinstated as provided in paragraphs 3 and 4. The Bank hereby irrevocably authorizes the Paying Agent to draw on this Letter of Credit, in accordance with the terms and conditions hereof, in an aggregate amount not to exceed the Available Amount for the payment of principal of and interest on the Notes at maturity. In connection with the maturity of any Notes secured by this Letter of Credit the Paying Agent may submit a Drawing (as defined in paragraph 6 hereof) to the Bank as provided in Section 7 hereof in an amount equal to the lesser of (i) the Available Amount or (ii) the amount of principal and interest due on the Notes maturing on the date for which a Drawing has been requested.

The Bank shall remit the amount of the Drawing as directed by the Paying Agent as provided in paragraph 8(b) hereof.

3. **Reductions in the Available Amount.** The Available Amount shall be automatically reduced from time to time as follows:

(a) Upon the Bank honoring of a demand for payment hereunder, the Available Amount shall be reduced by an amount equal to the amount of such demand for payment.

(b) Upon the Bank's receipt of an appropriately completed certificate in the form of Annex C hereto, the Available Amount, the Principal Component and the Interest Component shall be reduced as specified in such certificate, provided that no reduction under this clause (b) shall duplicate any reduction under (a) above.

Upon a reduction referred to in clause (b), the Bank may require the Paying Agent to return this Letter of Credit and to accept in substitution hereof a substitute Letter of Credit with a Stated Amount reflecting such reduction, but otherwise identical in form and substance to this Letter of Credit.

4. **Automatic Reinstatement.** Reductions under paragraph 3(a) by reason of a Drawing hereunder pursuant to a properly completed certificate in the form of Annex A hereto shall be reinstated automatically to the extent the Bank receives reimbursement for the amounts so drawn. Any such automatic reinstatement shall be in an amount equal to the amount of such reimbursement. Amounts reduced hereunder upon any receipt of a properly completed certificate in the form of Annex C hereto or as described in paragraph 3(b) shall not be subject to reinstatement.

5. **Documents To Be Presented.** Funds under this Letter of Credit are available to you, against an appropriately completed certificate purported to be signed by the Paying Agent in the form of Annex A hereto (each a "Maturity Drawing") or Annex B hereto (the "Final Drawing") (Maturity Drawings and the Final Drawing are herein collectively referred to as "Drawings").

Letter of Credit No: _____

Page 2

6. ***Method and Notice of Presentment.***

(a) Each Drawing referenced in paragraph 5 may be delivered to the Bank in person, by mail, by an express delivery service or by telephone receipt confirmed by telecopy, at such number or numbers as the Banks shall notify you from time to time in writing. A demand for payment shall be presented during our business hours on a Business Day prior to the expiration hereof at the office of:

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telephone: (856) 533-6562
Facsimile: (856) 533-6545
Reference: Letter of Credit No. _____

or at such other address as the Bank may notify the Paying Agent in writing from time to time. As used herein, "*Business Day*" means any day (i) on which banks in the District of Columbia and New York, New York are not authorized or required by law to remain closed and (ii) on which the New York Stock Exchange is not closed.

(b) Prior to the delivery of any demand for payment, the Paying Agent shall give the Bank telephonic notice of your intention to deliver such demand for payment, stating the method of presentment and the amount of such demand for payment; provided, however, that your failure to give such telephonic notice shall not affect the obligation of the Bank to honor a demand for payment which is otherwise made in strict conformity with the terms hereof. The telephonic notice required hereunder shall be given to the Bank, Attention: Darlene M. Strieffler, at (856) 533-6562, or such other person or persons as the Bank shall notify the Paying Agent in writing from time to time. Such telephonic notice may be waived at our sole discretion.

7. ***Time and Method for Payment.***

(a) If a Drawing is presented on a Business Day in strict conformity with the terms and conditions hereof and received by the Bank prior to 12:30 p.m. on such Business Day, payment shall be made to the Paying Agent not later than 2:30 p.m. on the such Business Day or such later date as the Paying Agent may specify in such Drawing. If such Drawing is received by the Bank after 12:30 p.m. on such Business Day, such Drawing shall be deemed to have been received on the next Business Day. All times referenced herein are as of New York, New York time.

(b) Unless otherwise agreed or otherwise indicated in the certificate of Drawing, payment under this Letter of Credit shall be made by Fedwire in immediately available funds to U.S. Bank Trust National Association, ABA# 091 000 022, A/C# 1731 0185 1827, A/C Name: U.S. Bank Trust, Attn.: Rosalyn Callender, REF: DC Water. For the purposes of determining compliance with the times for payment specified in (a) above, payment shall be deemed to have been made by the Bank when it has delivered appropriate wire transfer instructions with respect to such payment to an appropriate Federal Reserve Bank.

(c) All payments made by the Bank under this Letter of Credit shall be made with its own funds.

8. ***Transferability.*** This Letter of Credit is transferable to any transferee who has succeeded

Letter of Credit No: _____

you as Paying Agent under the Issuing and Paying Agency Agreement and may be successively transferred. Any transfer request must be effected by presenting to us the attached form of Annex F signed by the transferor and the transferee together with the original Letter of Credit and payment of a transfer fee in the amount of \$2,500. Upon our endorsement of such transfer, the transferee instead of the transferor shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; provided that, in such case, any certificates of the Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer of the transferee.

9. **GOVERNING LAW AND CUSTOMS.** TO THE EXTENT NOT INCONSISTENT WITH THE EXPRESS PROVISIONS HEREOF, THIS LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE TERMS OF THE INTERNATIONAL STANDBY PRACTICES, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (THE "ISP98"). AS TO MATTERS NOT GOVERNED BY THE ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING WITHOUT LIMITATION THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK.

10. **Irrevocability.** This Letter of Credit shall be irrevocable.

11. **No Negotiation.** A demand for payment under this Letter of Credit shall be presented directly to the Bank and shall not be negotiated to or by any third party.

12. **Excluded Notes.** No Drawing may be made under this Letter of Credit with respect to any Note issued after your receipt from the Bank of a notice in the form of Annex H hereto or a direction in the form of Annex I hereto, in each case instructing you to cease authentication and delivery of Notes (each an "Excluded Note"). If received by the Paying Agent by 9:30 a.m. (New York time) on a Business Day, such a notice shall be effective on the same Business Day; otherwise, it shall be effective on the next Business Day.

13. **Address for Communications.** Communications with respect to this Letter of Credit shall be in writing addressed to the Bank at the address referenced below, specifically referring thereon to this Letter of Credit and its Letter of Credit Number:

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telephone: (856) 533-6562
Facsimile: (856) 533-6545
Reference: Letter of Credit No. _____

14. **Complete Agreement.** This Letter of Credit, including Annexes A through H hereto, sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

Letter of Credit No: _____

Page 4

The Bank hereby agrees with the Paying Agent to honor the Paying Agent's demand for payment presented in strict compliance with the terms and conditions of this Letter of Credit.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified.

Letter of Credit No: _____
Page 5

Very truly yours,

TD BANK, N.A.

By: _____

Name:

Title:

Letter of Credit No: _____

Page 6

ANNEX A
TO
TD BANK, N.A.
LETTER OF CREDIT
NO. _____

CERTIFICATE FOR MATURITY DRAWING

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Banks in favor of the Paying Agent, that:

(1) The Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and is making this demand for payment of the maturity amount of the Notes in accordance with the Issuing and Paying Agency Agreement, which principal is payable on ____ (the "*Payment Date*").

(2) The maturity amount of the Notes that are payable on the Payment Date equals \$_____ of which \$_____ constitutes principal and \$_____ constitutes interest.

(3) Demand is hereby made under the Letter of Credit for \$_____, which amount does not exceed the lesser of the sum of the amounts specified in 2 above and the Available Amount.

(4) The amount demanded hereunder does not include any amount payable with respect to an Excluded Note.

(5) The proceeds hereof shall be deposited in the Letter of Credit Account of the Paying Agent (as defined in the Issuing and Paying Agency Agreement) and shall be applied solely to the payment of the Notes in accordance with Section 5.02 of the Issuing and Paying Agency Agreement.

(6) (a) Payment of this demand for payment is requested on or before 2:30 p.m., on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) or (ii) the Business Day on which this Drawing is received or deemed to have been received by the Bank, in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this demand for payment shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

Letter of Credit No: _____
Annex A Page 1

ANNEX A
TO
TD BANK, N.A.
LETTER OF CREDIT
NO. _____

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of
the __ day of _____, 20__.

U.S. Bank Trust National Association
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex A Page 2

ANNEX B
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

CERTIFICATE FOR FINAL DRAWING

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

(1) The Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and is making this demand for payment of the maturity amount of the Notes in accordance with the Issuing and Paying Agency Agreement. Payment of this demand for payment shall be made on _____ (the "*Payment Date*").

(2) (a) The Paying Agent is in receipt of the written final drawing direction from the Bank described in paragraph 1(c) of the Letter of Credit.

(b) The maturity amount of the Notes outstanding on the date hereof equals \$_____ of which \$_____ constitutes principal and \$_____ constitutes interest.

(3) Demand is hereby made under the Letter of Credit for \$_____, which amount does not exceed the lesser of the sum of the amounts specified in 2(b) above and the Available Amount.

(4) The amount demanded hereunder does not include any amount payable with respect to an Excluded Note.

(5) The proceeds hereof shall be deposited in the Letter of Credit Account of the Paying Agent (as defined in the Issuing and Paying Agency Agreement) and shall be applied solely to the payment of the Notes in accordance with Section 5.02 of the Issuing and Paying Agency Agreement.

(6) (a) Payment of this demand for payment is requested on or before 2:30 p.m., on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) or (ii) the Business Day on which this Drawing is received or

Letter of Credit No: _____
Annex B Page 1

ANNEX B
TO
TD BANK, N.A.
LETTER OF CREDIT
NO. _____

deemed to have been received by the Bank in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this demand for payment shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

(7) The Letter of Credit shall be returned to the Bank upon our receipt of payment of this demand for payment and no additional amounts shall be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the ____ day of _____, 20__.

U.S BANK TRUST NATIONAL
ASSOCIATION
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex B Page 2

ANNEX C
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

CERTIFICATE REGARDING REDUCTION OF STATED AMOUNT

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer and Authority
Commercial Paper Notes, Series B

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

(1) The Authority has instructed the Paying Agent to reduce the Stated Amount of the Letter of Credit.

(2) The Principal Component shall be reduced by an amount equal to \$_____ and the Interest Component shall be reduced by \$_____ which is 270 days' interest at 12% per annum (based on a year of 365 days) on the amount of the reduction in the Principal Component.

(3) Pursuant to paragraph 3 of the Letter of Credit, the Stated Amount shall be automatically reduced by \$_____, such reduction to be allocated so that the Principal Component and the Interest Component of the Stated Amount shall be reduced by the amounts stated in paragraph (2) upon receipt by the Paying Agent of this Certificate. Giving effect to such reduction, the Stated Amount will not be reduced below an amount equal to the sum of unreimbursed Drawings plus the principal amount of Notes outstanding, plus 270 days' interest thereon at 12% per annum (based on a year of 365 days).

This certificate should be attached to the Letter of Credit and made a part thereof.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the __ day of _____, 20__.

U.S. BANK TRUST NATIONAL ASSOCIATION
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex C Page 1

ANNEX D
To
TD BANK, N.A.
LETTER OF CREDIT
No. _____

TERMINATION CERTIFICATE

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that all outstanding Notes, other than Excluded Notes, have been paid in full in accordance with the Issuing and Paying Agency Agreement.

The Letter of Credit is attached hereto and being surrendered to you for cancellation effective _____.

Letter of Credit No: _____
Annex D Page 1

ANNEX D
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of
the __ day of _____, 20__.

U.S. BANK TRUST NATIONAL
ASSOCIATION
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex D Page 2

ANNEX E
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

TERMINATION CERTIFICATE-SUBSTITUTE LETTER OF CREDIT

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

The undersigned, a duly authorized officer of U.S Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that the conditions precedent to the acceptance of a substitute letter of credit as provided in Section 3.13 of the Issuing and Paying Agency Agreement have been satisfied.

The Letter of Credit is attached hereto and being surrendered to the Bank herewith for cancellation.

Letter of Credit No: _____
Annex E Page 1

ANNEX E
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of
the __ day of _____ 20__.

U.S. BANK TRUST NATIONAL
ASSOCIATION,
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex E Page 2

ANNEX F
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

REQUEST FOR TRANSFER

U.S. Bank Trust National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attn: Corporate Trust Administration

Date: _____

Re: TD Bank, N.A., Irrevocable Transferable Letter of Credit No. _____ dated May ____, 2020

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee) "Transferee"
ADDRESS OF TRANSFEREE _____
CITY, STATE/COUNTRY ZIP _____

In accordance with ISP 98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Credit as transferred and the transactions underlying the Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Request is made subject to ISP98 and is subject to and shall be governed by Article 5 of the Uniform Commercial Code of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Letter of Credit No: _____
Annex F Page 1

ANNEX F
TO
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Letter of Credit No: _____
Annex F Page 2

ANNEX G
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

NOTICE OF EXTENSION

_____, 20__

U.S. Bank Trust National Association,
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

The undersigned, the duly authorized officers of TD Bank, N.A. (the “*Bank*”), hereby advises the Paying Agent, with reference to the above-referenced Irrevocable Transferable Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

- (1) At the request and for the account of District of Columbia Water and Sewer Authority, the Bank hereby extends the date referenced in paragraph l(a) of the Letter of Credit (as such date may have been extended previously from time to time) to _____.
- (2) Except as specifically provided in paragraph (1) above, all of the terms and conditions of the Letter of Credit remain unchanged and in full force and effect.
- (3) This Notice of Extension is an integral part of the Letter of Credit.
- (4) This Notice of Extension may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

Letter of Credit No: _____
Annex G Page 1

ANNEX G
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension
as of the __ day of _____, 20__.

TD BANK, N.A.

By: _____
Name
Title:

Letter of Credit No: _____
Annex G Page 2

ANNEX H
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

FORM OF NO-ISSUANCE INSTRUCTIONS

[DATE]

U.S. Bank Trust National Association
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

Ladies and Gentlemen:

The undersigned, in its capacity as the issuer of an irrevocable transferable letter of credit (the "*Letter of Credit*") pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (the "*Reimbursement Agreement*") between District of Columbia Water and Sewer Authority (the "*Authority*") and the undersigned, hereby (a) notifies the Paying Agent for the above-referenced Commercial Paper Notes (the "*Notes*") that [a Default, as defined in the Reimbursement Agreement, has occurred] [the representations and warranties of the Authority contained in the Reimbursement Agreement are not true and correct on and as of the date hereof] and (b) instructs the Paying Agent to cease authentication and delivery of Notes. Unless this notice is subsequently rescinded by the undersigned in writing, all Notes issued on or after the date the Paying Agent receives this notice (the date of such receipt being determined for this purpose as provided in paragraph 12 of the Letter of Credit) shall be "Excluded Notes" as defined in the Letter of Credit. On the maturity date for the last maturing Note issued prior to the Paying Agent's receipt of this notice and upon payment of all amounts drawn under the Letter of Credit with respect to such Notes, the Letter of Credit shall be returned to the undersigned for cancellation together with an appropriately completed termination certificate in the form of Annex D to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed these No-Issuance Instructions as of this ___ day of _____, 20__.

TD BANK, N.A.

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex H Page 1

ANNEX I
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

FORM OF FINAL DRAWING DIRECTION

[DATE]

U.S. Bank Trust National Association
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series B

Ladies and Gentlemen:

The undersigned, in its capacity as the issuer of an irrevocable transferable letter of credit (the "*Letter of Credit*") pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (the "*Reimbursement Agreement*") between District of Columbia Water and Sewer Authority (the "*Authority*") and the undersigned, hereby (a) notifies the Paying Agent for the above-referenced Commercial Paper Notes (the "*Notes*") that an Event of Default, as defined in the Reimbursement Agreement, has occurred, (b) instructs the Paying Agent to cease authentication and delivery of Notes and (c) directs the Paying Agent, by submitting to the undersigned a properly completed certificate in the form of Annex B to the Letter of Credit, to immediately draw under the Letter of Credit an amount equal to the principal amount of the outstanding Notes plus interest thereon to their respective maturity dates. All Notes issued on or after the date the Paying Agent receives this notice (the date of such receipt being determined for this purpose as provided in paragraph 12 of the Letter of Credit) shall be "Excluded Notes" as defined in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed this Final Drawing Direction as of this ___ day of _____, 20__.

TD BANK, N.A.

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex I Page 1

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT

**TD BANK, N.A.
6000 ATRIUM WAY
MT. LAUREL, NJ 08054**

May __, 2020
\$51,479,452
TD Bank, N.A.
Letter of Credit
No. _____

U.S. Bank Trust National Association,
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

Attention: Ladies and Gentlemen:

At the request and for the account of the District of Columbia Water and Sewer Authority (the “*Authority*”), pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (as amended or supplemented from time to time pursuant to its terms, the “*Reimbursement Agreement*”) between the Authority and TD Bank, N.A. (the “*Bank*”), we hereby establish in favor of U.S. Bank Trust National Association, as Issuing and Paying Agent (the “*Paying Agent*”) under the Issuing and Paying Agency Agreement dated as of June 1, 2010, as amended (as may be further amended or supplemented from time to time in accordance with its terms, the “*Issuing and Paying Agency Agreement*”) between the Authority and the Paying Agent, for the holders of the Authority’s above-referenced notes (the “*Notes*”), this irrevocable transferable letter of credit (the “*Letter of Credit*”) whereby we authorize you to draw on us from time to time from and after May __, 2020 and on or prior to the Letter of Credit Termination Date referred to herein a maximum aggregate amount not exceeding One Hundred Two Million Nine Hundred Fifty-Eight Thousand Two Hundred Four Dollars (\$51,479,452) (the “*Stated Amount*”) to pay principal of and accrued interest on the Notes upon the maturity thereof in accordance with the terms hereof (such \$51,479,452 having been calculated to be equal to \$50,000,000 (the “*Principal Component*”), which is the maximum principal amount of the Notes that may be outstanding at any one time, plus \$1,479,452 (the “*Interest Component*”) which is 270 days’ interest on such maximum principal amount at the rate of 12% per annum based on a year of 365 days), in accordance with the following terms and conditions.

1. **Expiration.** This Letter of Credit shall automatically expire at the close of business on the date (the “*Letter of Credit Termination Date*”) that is the earliest to occur of:

(a) May __, 202_ ; provided that, if the Bank provides the Paying Agent with a written notice in the form of Annex G hereto that the term of this Letter of Credit shall be extended, the term of this Letter of Credit shall be extended to the date provided in such notice;

Letter of Credit No: _____
Page 1

(b) the Bank's receipt of an appropriately completed termination certificate in the form of Annex D or Annex E hereto, together with this Letter of Credit; and

(c) the date that is ten (10) days after the Paying Agent's receipt from the Bank of a written final drawing direction in the form of Annex I hereto.

In the event such expiration date shall not be a Business Day (as hereinafter defined), then this Letter of Credit shall expire on the next succeeding Business Day.

2. **Available Amount.** The amount available to be drawn hereunder from time to time the "Available Amount") will be reduced and reinstated as provided in paragraphs 3 and 4. The Bank hereby irrevocably authorizes the Paying Agent to draw on this Letter of Credit, in accordance with the terms and conditions hereof, in an aggregate amount not to exceed the Available Amount for the payment of principal of and interest on the Notes at maturity. In connection with the maturity of any Notes secured by this Letter of Credit the Paying Agent may submit a Drawing (as defined in paragraph 6 hereof) to the Bank as provided in Section 7 hereof in an amount equal to the lesser of (i) the Available Amount or (ii) the amount of principal and interest due on the Notes maturing on the date for which a Drawing has been requested.

The Bank shall remit the amount of the Drawing as directed by the Paying Agent as provided in paragraph 8(b) hereof.

3. **Reductions in the Available Amount.** The Available Amount shall be automatically reduced from time to time as follows:

(a) Upon the Bank honoring of a demand for payment hereunder, the Available Amount shall be reduced by an amount equal to the amount of such demand for payment.

(b) Upon the Bank's receipt of an appropriately completed certificate in the form of Annex C hereto, the Available Amount, the Principal Component and the Interest Component shall be reduced as specified in such certificate, provided that no reduction under this clause (b) shall duplicate any reduction under (a) above.

Upon a reduction referred to in clause (b), the Bank may require the Paying Agent to return this Letter of Credit and to accept in substitution hereof a substitute Letter of Credit with a Stated Amount reflecting such reduction, but otherwise identical in form and substance to this Letter of Credit.

4. **Automatic Reinstatement.** Reductions under paragraph 3(a) by reason of a Drawing hereunder pursuant to a properly completed certificate in the form of Annex A hereto shall be reinstated automatically to the extent the Bank receives reimbursement for the amounts so drawn. Any such automatic reinstatement shall be in an amount equal to the amount of such reimbursement. Amounts reduced hereunder upon any receipt of a properly completed certificate in the form of Annex C hereto or as described in paragraph 3(b) shall not be subject to reinstatement.

5. **Documents To Be Presented.** Funds under this Letter of Credit are available to you, against an appropriately completed certificate purported to be signed by the Paying Agent in the form of Annex A hereto (each a "Maturity Drawing") or Annex B hereto (the "Final Drawing") (Maturity Drawings and the Final Drawing are herein collectively referred to as "Drawings").

Letter of Credit No: _____

Page 2

6. ***Method and Notice of Presentment.***

(a) Each Drawing referenced in paragraph 5 may be delivered to the Bank in person, by mail, by an express delivery service or by telephone receipt confirmed by telecopy, at such number or numbers as the Banks shall notify you from time to time in writing. A demand for payment shall be presented during our business hours on a Business Day prior to the expiration hereof at the office of:

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telephone: (856) 533-6562
Facsimile: (856) 533-6545
Reference: Letter of Credit No. _____

or at such other address as the Bank may notify the Paying Agent in writing from time to time. As used herein, "*Business Day*" means any day (i) on which banks in the District of Columbia and New York, New York are not authorized or required by law to remain closed and (ii) on which the New York Stock Exchange is not closed.

(b) Prior to the delivery of any demand for payment, the Paying Agent shall give the Bank telephonic notice of your intention to deliver such demand for payment, stating the method of presentment and the amount of such demand for payment; provided, however, that your failure to give such telephonic notice shall not affect the obligation of the Bank to honor a demand for payment which is otherwise made in strict conformity with the terms hereof. The telephonic notice required hereunder shall be given to the Bank, Attention: Darlene M. Strieffler, at (856) 533-6562, or such other person or persons as the Bank shall notify the Paying Agent in writing from time to time. Such telephonic notice may be waived at our sole discretion.

7. ***Time and Method for Payment.***

(a) If a Drawing is presented on a Business Day in strict conformity with the terms and conditions hereof and received by the Bank prior to 12:30 p.m. on such Business Day, payment shall be made to the Paying Agent not later than 2:30 p.m. on the such Business Day or such later date as the Paying Agent may specify in such Drawing. If such Drawing is received by the Bank after 12:30 p.m. on such Business Day, such Drawing shall be deemed to have been received on the next Business Day. All times referenced herein are as of New York, New York time.

(b) Unless otherwise agreed or otherwise indicated in the certificate of Drawing, payment under this Letter of Credit shall be made by Fedwire in immediately available funds to U.S. Bank Trust National Association, ABA# 091 000 022, A/C# 1731 0185 1827, A/C Name: U.S. Bank Trust, Attn.: Rosalyn Callender, REF: DC Water. For the purposes of determining compliance with the times for payment specified in (a) above, payment shall be deemed to have been made by the Bank when it has delivered appropriate wire transfer instructions with respect to such payment to an appropriate Federal Reserve Bank.

(c) All payments made by the Bank under this Letter of Credit shall be made with its own funds.

8. ***Transferability.*** This Letter of Credit is transferable to any transferee who has succeeded

Letter of Credit No: _____

you as Paying Agent under the Issuing and Paying Agency Agreement and may be successively transferred. Any transfer request must be effected by presenting to us the attached form of Annex F signed by the transferor and the transferee together with the original Letter of Credit and payment of a transfer fee in the amount of \$2,500. Upon our endorsement of such transfer, the transferee instead of the transferor shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; provided that, in such case, any certificates of the Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer of the transferee.

9. **GOVERNING LAW AND CUSTOMS.** TO THE EXTENT NOT INCONSISTENT WITH THE EXPRESS PROVISIONS HEREOF, THIS LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE TERMS OF THE INTERNATIONAL STANDBY PRACTICES, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (THE "ISP98"). AS TO MATTERS NOT GOVERNED BY THE ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING WITHOUT LIMITATION THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK.

10. **Irrevocability.** This Letter of Credit shall be irrevocable.

11. **No Negotiation.** A demand for payment under this Letter of Credit shall be presented directly to the Bank and shall not be negotiated to or by any third party.

12. **Excluded Notes.** No Drawing may be made under this Letter of Credit with respect to any Note issued after your receipt from the Bank of a notice in the form of Annex H hereto or a direction in the form of Annex I hereto, in each case instructing you to cease authentication and delivery of Notes (each an "Excluded Note"). If received by the Paying Agent by 9:30 a.m. (New York time) on a Business Day, such a notice shall be effective on the same Business Day; otherwise, it shall be effective on the next Business Day.

13. **Address for Communications.** Communications with respect to this Letter of Credit shall be in writing addressed to the Bank at the address referenced below, specifically referring thereon to this Letter of Credit and its Letter of Credit Number:

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telephone: (856) 533-6562
Facsimile: (856) 533-6545
Reference: Letter of Credit No. _____

14. **Complete Agreement.** This Letter of Credit, including Annexes A through H hereto, sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

Letter of Credit No: _____

The Bank hereby agrees with the Paying Agent to honor the Paying Agent's demand for payment presented in strict compliance with the terms and conditions of this Letter of Credit.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified.

Letter of Credit No: _____
Page 5

Very truly yours,

TD BANK, N.A.

By: _____

Name:

Title:

Letter of Credit No: _____

Page 6

ANNEX A
TO
TD BANK, N.A.
LETTER OF CREDIT
NO. _____

CERTIFICATE FOR MATURITY DRAWING

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Banks in favor of the Paying Agent, that:

(1) The Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and is making this demand for payment of the maturity amount of the Notes in accordance with the Issuing and Paying Agency Agreement, which principal is payable on ____ (the "*Payment Date*").

(2) The maturity amount of the Notes that are payable on the Payment Date equals \$_____ of which \$_____ constitutes principal and \$_____ constitutes interest.

(3) Demand is hereby made under the Letter of Credit for \$_____, which amount does not exceed the lesser of the sum of the amounts specified in 2 above and the Available Amount.

(4) The amount demanded hereunder does not include any amount payable with respect to an Excluded Note.

(5) The proceeds hereof shall be deposited in the Letter of Credit Account of the Paying Agent (as defined in the Issuing and Paying Agency Agreement) and shall be applied solely to the payment of the Notes in accordance with Section 5.02 of the Issuing and Paying Agency Agreement.

(6) (a) Payment of this demand for payment is requested on or before 2:30 p.m., on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) or (ii) the Business Day on which this Drawing is received or deemed to have been received by the Bank, in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this demand for payment shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

Letter of Credit No: _____
Annex A Page 1

ANNEX A
TO
TD BANK, N.A.
LETTER OF CREDIT
NO. _____

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of
the __ day of _____, 20__.

U.S. Bank Trust National Association
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex A Page 2

ANNEX B
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

CERTIFICATE FOR FINAL DRAWING

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

(1) The Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and is making this demand for payment of the maturity amount of the Notes in accordance with the Issuing and Paying Agency Agreement. Payment of this demand for payment shall be made on _____ (the "*Payment Date*").

(2) (a) The Paying Agent is in receipt of the written final drawing direction from the Bank described in paragraph 1(c) of the Letter of Credit.

(b) The maturity amount of the Notes outstanding on the date hereof equals \$_____ of which \$_____ constitutes principal and \$_____ constitutes interest.

(3) Demand is hereby made under the Letter of Credit for \$_____, which amount does not exceed the lesser of the sum of the amounts specified in 2(b) above and the Available Amount.

(4) The amount demanded hereunder does not include any amount payable with respect to an Excluded Note.

(5) The proceeds hereof shall be deposited in the Letter of Credit Account of the Paying Agent (as defined in the Issuing and Paying Agency Agreement) and shall be applied solely to the payment of the Notes in accordance with Section 5.02 of the Issuing and Paying Agency Agreement.

(6) (a) Payment of this demand for payment is requested on or before 2:30 p.m., on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) or (ii) the Business Day on which this Drawing is received or

Letter of Credit No: _____
Annex B Page 1

ANNEX B
TO
TD BANK, N.A.
LETTER OF CREDIT
NO. _____

deemed to have been received by the Bank in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this demand for payment shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

(7) The Letter of Credit shall be returned to the Bank upon our receipt of payment of this demand for payment and no additional amounts shall be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the ____ day of _____, 20__.

U.S BANK TRUST NATIONAL
ASSOCIATION
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex B Page 2

ANNEX C
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

CERTIFICATE REGARDING REDUCTION OF STATED AMOUNT

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer and Authority
Commercial Paper Notes, Series C

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

(1) The Authority has instructed the Paying Agent to reduce the Stated Amount of the Letter of Credit.

(2) The Principal Component shall be reduced by an amount equal to \$_____ and the Interest Component shall be reduced by \$_____ which is 270 days' interest at 12% per annum (based on a year of 365 days) on the amount of the reduction in the Principal Component.

(3) Pursuant to paragraph 3 of the Letter of Credit, the Stated Amount shall be automatically reduced by \$_____, such reduction to be allocated so that the Principal Component and the Interest Component of the Stated Amount shall be reduced by the amounts stated in paragraph (2) upon receipt by the Paying Agent of this Certificate. Giving effect to such reduction, the Stated Amount will not be reduced below an amount equal to the sum of unreimbursed Drawings plus the principal amount of Notes outstanding, plus 270 days' interest thereon at 12% per annum (based on a year of 365 days).

This certificate should be attached to the Letter of Credit and made a part thereof.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the __ day of _____, 20__.

U.S. BANK TRUST NATIONAL ASSOCIATION
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex C Page 1

ANNEX D
To
TD BANK, N.A.
LETTER OF CREDIT
No. _____

TERMINATION CERTIFICATE

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that all outstanding Notes, other than Excluded Notes, have been paid in full in accordance with the Issuing and Paying Agency Agreement.

The Letter of Credit is attached hereto and being surrendered to you for cancellation effective _____.

Letter of Credit No: _____
Annex D Page 1

ANNEX D
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of
the __ day of _____, 20__.

U.S. BANK TRUST NATIONAL
ASSOCIATION
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex D Page 2

ANNEX E
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

TERMINATION CERTIFICATE-SUBSTITUTE LETTER OF CREDIT

TD Bank, N.A.
6000 Atrium Way
Mt. Laurel, New Jersey 08054
Attention: Darlene M. Strieffler
Telecopy No.: (856) 533-6545

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

The undersigned, a duly authorized officer of U.S Bank Trust National Association (the "*Paying Agent*"), hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to the above-referenced Irrevocable Transferable Letter of Credit (the "*Letter of Credit*"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that the conditions precedent to the acceptance of a substitute letter of credit as provided in Section 3.13 of the Issuing and Paying Agency Agreement have been satisfied.

The Letter of Credit is attached hereto and being surrendered to the Bank herewith for cancellation.

Letter of Credit No: _____
Annex E Page 1

ANNEX E
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of
the __ day of _____ 20__.

U.S. BANK TRUST NATIONAL
ASSOCIATION,
as Paying Agent

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex E Page 2

ANNEX F
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

REQUEST FOR TRANSFER

U.S. Bank Trust National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attn: Corporate Trust Administration

Date: _____

Re: TD Bank, N.A., Irrevocable Transferable Letter of Credit No. _____ dated May ____, 2020

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee) "Transferee"
ADDRESS OF TRANSFEREE _____
CITY, STATE/COUNTRY ZIP _____

In accordance with ISP 98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Credit as transferred and the transactions underlying the Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Request is made subject to ISP98 and is subject to and shall be governed by Article 5 of the Uniform Commercial Code of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Letter of Credit No: _____
Annex F Page 1

ANNEX F
TO
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Letter of Credit No: _____
Annex F Page 2

ANNEX G
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

NOTICE OF EXTENSION

_____, 20__

U.S. Bank Trust National Association,
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

The undersigned, the duly authorized officers of TD Bank, N.A. (the “*Bank*”), hereby advises the Paying Agent, with reference to the above-referenced Irrevocable Transferable Letter of Credit (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

- (1) At the request and for the account of District of Columbia Water and Sewer Authority, the Bank hereby extends the date referenced in paragraph l(a) of the Letter of Credit (as such date may have been extended previously from time to time) to _____.
- (2) Except as specifically provided in paragraph (1) above, all of the terms and conditions of the Letter of Credit remain unchanged and in full force and effect.
- (3) This Notice of Extension is an integral part of the Letter of Credit.
- (4) This Notice of Extension may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

Letter of Credit No: _____
Annex G Page 1

ANNEX G
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension
as of the __ day of _____, 20__.

TD BANK, N.A.

By: _____
Name
Title:

Letter of Credit No: _____
Annex G Page 2

ANNEX H
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

FORM OF NO-ISSUANCE INSTRUCTIONS

[DATE]

U.S. Bank Trust National Association
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

Ladies and Gentlemen:

The undersigned, in its capacity as the issuer of an irrevocable transferable letter of credit (the "*Letter of Credit*") pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (the "*Reimbursement Agreement*") between District of Columbia Water and Sewer Authority (the "*Authority*") and the undersigned, hereby (a) notifies the Paying Agent for the above-referenced Commercial Paper Notes (the "*Notes*") that [a Default, as defined in the Reimbursement Agreement, has occurred] [the representations and warranties of the Authority contained in the Reimbursement Agreement are not true and correct on and as of the date hereof] and (b) instructs the Paying Agent to cease authentication and delivery of Notes. Unless this notice is subsequently rescinded by the undersigned in writing, all Notes issued on or after the date the Paying Agent receives this notice (the date of such receipt being determined for this purpose as provided in paragraph 12 of the Letter of Credit) shall be "Excluded Notes" as defined in the Letter of Credit. On the maturity date for the last maturing Note issued prior to the Paying Agent's receipt of this notice and upon payment of all amounts drawn under the Letter of Credit with respect to such Notes, the Letter of Credit shall be returned to the undersigned for cancellation together with an appropriately completed termination certificate in the form of Annex D to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed these No-Issuance Instructions as of this ___ day of _____, 20__.

TD BANK, N.A.

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex H Page 1

ANNEX I
TO
TD BANK, N.A.
LETTER OF CREDIT
No. _____

FORM OF FINAL DRAWING DIRECTION

[DATE]

U.S. Bank Trust National Association
as Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Administration

District of Columbia Water and Sewer Authority
Commercial Paper Notes, Series C

Ladies and Gentlemen:

The undersigned, in its capacity as the issuer of an irrevocable transferable letter of credit (the "*Letter of Credit*") pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2020 (the "*Reimbursement Agreement*") between District of Columbia Water and Sewer Authority (the "*Authority*") and the undersigned, hereby (a) notifies the Paying Agent for the above-referenced Commercial Paper Notes (the "*Notes*") that an Event of Default, as defined in the Reimbursement Agreement, has occurred, (b) instructs the Paying Agent to cease authentication and delivery of Notes and (c) directs the Paying Agent, by submitting to the undersigned a properly completed certificate in the form of Annex B to the Letter of Credit, to immediately draw under the Letter of Credit an amount equal to the principal amount of the outstanding Notes plus interest thereon to their respective maturity dates. All Notes issued on or after the date the Paying Agent receives this notice (the date of such receipt being determined for this purpose as provided in paragraph 12 of the Letter of Credit) shall be "Excluded Notes" as defined in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed this Final Drawing Direction as of this ___ day of _____, 20__.

TD BANK, N.A.

By: _____
Name: _____
Title: _____

Letter of Credit No: _____
Annex I Page 1

Presented and Adopted: April 2, 2020

Subject: Approving the Extension of the Credit Facility for the Series 2014B Subordinate Bonds

**#20-33
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 April 2, 2020, upon consideration of a non-joint use matter, by a vote of _____ () in favor and _____ () opposed, decided to approve the following:

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

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

WHEREAS, the Authority has heretofore issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the “Series 2014B Subordinate Bonds”) which are secured by, *inter alia*, the Standby Bond Purchase Agreement (as defined below); and

WHEREAS, the Standby Purchase Agreement currently expires on July 23, 2020 and the Authority now intends to extend the maturity of such Standby Bond Purchase Agreement (the “Extension”); and

WHEREAS, there has been presented at this meeting a proposed Preliminary Term Sheet stating the business and legal parameters of the Extension, all as attached hereto as Exhibit A to this Resolution (the “Term Sheet”); and

WHEREAS, the Finance and Budget Committee met on March 26, 2020, to review the Extension and has recommended approval of this Resolution by the Board.

NOW, THEREFORE, BE IT RESOLVED, that:

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

“Authorized Officials” means the Chairman and Vice Chairman of the Board and the CEO and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, Controller, Budget Director, Finance Director and Rates and Revenue Director 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.

“Financial Advisor” means Public Financial Management, Inc.

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

“Standby Bond Purchase Agreement” means collectively, the Standby Bond Purchase Agreements, by and between the Authority and TD Bank, N.A., each dated July 23, 2014, entered into for the Series 2014B Subordinate Bonds under the Sixteenth Supplemental Indenture, each as amended or supplemented.

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

Section 2. Credit Facility Amendment and Extension. In order to formalize the Extension, the Authorized Officials are, and each of them is, authorized in connection with the Extension, to execute, acknowledge and deliver in the name of and on behalf of the Authority, an amendment to the Standby Bond Purchase Agreement, with substantially the same terms as are described in the Term Sheet.

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 Extension as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Sixteenth Supplemental Indenture, the amendment to Standby Bond Purchase Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the amendment to the Standby Bond Purchase Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution 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 3. Official Statement: Continuing Disclosure. The Authorized Officials are each hereby further authorized to supplement and amend the Official Statement that in the judgment of an Authorized Official, is 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 its existing Continuing Disclosure Agreements.

Section 4. 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.

Section 5. Effective Date. This Resolution shall take effect immediately.

Secretary to the Board of Directors



TD Bank, N.A.
1919 Gallows Road
Second Floor
Vienna, VA 22182

March 17, 2020

Mr. Ivan Boykin
Director of Finance
District of Columbia Water and Sewer Authority
1385 Canal Street SE
Washington, DC 20003

Mr. Eric Brown
Senior Management Consultant
Public Financial Management
4350 N. Fairfax Drive
Suite 580
Arlington, VA 22203

Dear Mr. Boykin and Mr. Brown:

Further to our discussions we are pleased to provide you with our preliminary proposal to extend our existing credit facilities (the "Credit Facilities") that are described on the attached preliminary term sheet to District of Columbia Water and Sewer Authority ("DC Water"). The proposed Credit Facilities consist of a five (5) year extension of our existing of up to \$101,117,808 standby note purchase agreements.

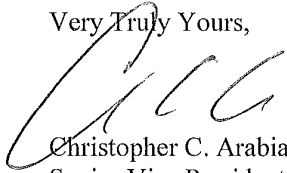
Please be advised that this letter and the preliminary term sheet constitutes a statement of suggested terms for discussion with respect to the extension contemplated and do not contain all matters upon which agreement must be reached in order for the extension contemplated hereby to be consummated and, therefore, do not represent a binding commitment with respect to the transaction. A binding commitment with respect to the Credit Facilities will result only after satisfactory final due diligence, approval and upon execution and delivery by all of the parties of a definitive agreement relating to the Credit Facilities, subject to the conditions contained therein.

We shall not be responsible or liable to DC Water or any other person for consequential damages which may be alleged as a result of this letter, the preliminary term sheet or any transaction contemplated hereby. This letter is delivered to DC Water on the condition that its existence and its contents will not be disclosed by DC Water without our prior written approval except (i) as may be required to be disclosed in any legal proceeding or as may be required by law and (ii) on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

If the proposal outlined in the attached preliminary term sheet reflects arrangements that substantially meet your needs and you would like TD Bank, N.A. to proceed with due diligence, underwriting and approval process, please return a signed copy of this letter before the close of business on March 27, 2020. Please do not hesitate to contact Christopher C. Arabia at (703) 663-4975 with any questions or comments that you may have.

We appreciate the opportunity to consider providing for the financing needs of DC Water and are excited about the prospect of expanding our mutually rewarding relationship.

Very Truly Yours,



Christopher C. Arabia
Senior Vice President
TD Bank, N.A.

Accepted and Agreed to this ____ day of _____, 2020
DC Water

By: _____

Name: _____

Date: _____



PRELIMINARY TERM SHEET

Borrower:	District of Columbia Water and Sewer Authority ("DC Water")						
Facility Providers:	TD Bank, NA ("Lender" or "Bank")						
Facility & Amount:	<p>Extension of up to \$101,117,808 Standby Note Purchase Agreement ("SNPA") including principal plus interest reserve as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Par Value of Bonds:</td> <td style="text-align: right;">\$100,000,000</td> </tr> <tr> <td>+ Required Interest Reserve*:</td> <td style="text-align: right;">\$ 1,117,808</td> </tr> <tr> <td>Total Facility:</td> <td style="text-align: right;">\$101,117,808</td> </tr> </table> <p>*Includes 34 days of interest at 12%</p> <p>The amount may be adjusted based on DC Water's needs</p>	Par Value of Bonds:	\$100,000,000	+ Required Interest Reserve*:	\$ 1,117,808	Total Facility:	\$101,117,808
Par Value of Bonds:	\$100,000,000						
+ Required Interest Reserve*:	\$ 1,117,808						
Total Facility:	\$101,117,808						
Purpose:	To provide liquidity support for DC Water's 2014 Variable Rate Demand Bond Issuance.						
Closing Date:	No later than July 3, 2020.						
Maturity Date:	Five years from the date of closing.						
Term Out Provision:	Same as existing SNPA.						
Agent Fee:	None.						
Facility Fee:	<p><u>Standby Note Purchase Agreement</u></p> <p>23 basis points annually for the 5 year Facility, payable quarterly, in advance.</p> <p>The rate would increase for each notch of rating decline below A1 or A+ by 5 bps per notch.</p> <p>In the event that the rating agencies then rating the Bonds have conflicting or "split" ratings, the lowest rating shall be used to determine the Annual Fee. Each such pricing change will become effective on the date such rating downgrade is announced by the applicable rating agency.</p> <p>If an Event of Default occurs and is continuing, the Annual Fee payable by the Borrower shall automatically and without notice to the Borrower increase by an additional one hundred basis points (1.00%) per annum, commencing on the date such Event of Default occurs. The increased Annual Fee shall be payable until such Event of Default is cured, the Bank waives said Event of Default in writing or the Facility otherwise terminates.</p>						
Maintenance of Ratings:	The Borrower shall maintain public ratings on the underlying long-term debt rating of not less than Baa1/BBB+ from two of the three national recognized bond rating agencies (Moody's, S&P and Fitch) during the term of the Facility. The cancellation, withdrawal or suspension of the underlying long-term debt rating by any rating agency shall constitute an Event of Default under the Facility.						
Termination Fee:	If the Facility is terminated within the Initial Committed Term (three or five years as described above), except as a result of a two (2) level downgrade of the current short-term ratings of the Lender by either Standard & Poor's, or Moody's, the Issuer will be required to pay all amounts due to such date plus an						



PRELIMINARY TERM SHEET

	<p>amount equal to the Facility Fee that would have been payable through the minimum period as outlined in the table below. After passing the minimum period, the Facility may be terminated by the Issuer without any Termination Fee.</p> <table border="1"> <thead> <tr> <th>Initial Committed Term</th> <th>Minimum Period</th> </tr> </thead> <tbody> <tr> <td>Five years</td> <td>30 months</td> </tr> </tbody> </table>	Initial Committed Term	Minimum Period	Five years	30 months
Initial Committed Term	Minimum Period				
Five years	30 months				
Legal Fees:	To be covered by the Borrower.				
Other Costs:	Same as existing SNPA.				
Interest Rate:	Same as existing SNPA.				
Clawback Amounts:	Same as existing SNPA.				
Default Rate:	Same as existing SNPA.				
Mandatory Prepayments:	Same as existing SNPA.				
Voluntary Prepayments/ Commitment Reductions:	Same as existing SNPA.				
Collateral:	Same as existing SNPA.				
Representations and Warranties:	Same as existing SNPA.				
General Covenants:	Same as existing SNPA.				
Financial Covenants:	As defined in the Indenture.				
Reporting Requirements:	Same as existing SNPA.				
Other Requirements:	The Lender reserves the right to sell down portions of the Facility Amount.				
Events of Default:	Same as existing SNPA.				
Material Adverse Change:	This proposal may be withdrawn, in the sole discretion of the Bank, upon the occurrence of a material adverse change in the financial, operational, or legal condition of the Issuer.				
Key Representations and Warranties:	<p>Same as existing SNPA, plus the following with respect to the Amendment to SNPA:</p> <ol style="list-style-type: none"> 1) Organization; Authorization; Legal, Valid and Binding Obligations 2) No Conflict; Consents and Approvals; 3) No Litigation; No Defaults 4) Financial Statements 				



PRELIMINARY TERM SHEET

Conditions:	<ol style="list-style-type: none"> 1) Subject to Bank counsel review and acceptance of the Amendment to SNPA and other documentation which shall be satisfactory to the Bank in its sole discretion. 2) Agreement as to all final terms and conditions of the Amendment to SNPA and the related documents and Bank's satisfactory review thereof 3) Absence of any material change in the financial condition, operations or prospects of the Borrower, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the Bank's sole discretion 																
Legal Representation:	<p>Michael Graff McGuire Woods LLP 1750 Tysons Blvd. Suite 1800 McLean, VA 22102 703.712.5110 (phone) 703.712.5191 (fax) mgraфф@mcguirewoods.com</p> <p>Estimated legal fees: \$ 5,000 Cap on legal fees: \$10,000</p>																
TD Bank, NA	<p><u>Bank Ratings:</u></p> <table border="0"> <thead> <tr> <th></th> <th><u>Moody's</u></th> <th><u>S&P</u></th> <th><u>Fitch</u></th> </tr> </thead> <tbody> <tr> <td>Long Term</td> <td>A1</td> <td>AA-</td> <td>AA-</td> </tr> <tr> <td>Short Term</td> <td>P1</td> <td>A1+</td> <td>F1+</td> </tr> <tr> <td>Outlook</td> <td>Stable</td> <td>Stable</td> <td>Stable</td> </tr> </tbody> </table> <p><u>Contact:</u> Christopher C. Arabia Senior Vice President 1919 Gallows Road Second Floor Vienna, VA 22182 703.663.4975 (O) 703.663.4367 (F) christopher.arabia@td.com</p>		<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	Long Term	A1	AA-	AA-	Short Term	P1	A1+	F1+	Outlook	Stable	Stable	Stable
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>														
Long Term	A1	AA-	AA-														
Short Term	P1	A1+	F1+														
Outlook	Stable	Stable	Stable														
Disclaimer:	<p><i>THIS PRELIMINARY TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND IS NOT A COMMITMENT TO LEND FROM THE LENDERS, NOR DOES IT SUMMARIZE ALL OF THE CONDITIONS, COVENANTS, REPRESENTATIONS, WARRANTIES, EVENTS OF DEFAULT OR OTHER PROVISIONS THAT MAY BE CONTAINED IN DOCUMENTS REQUIRED TO CONSUMMATE THIS FINANCING. IT INCLUDES A DESCRIPTION OF SOLELY THE PRINCIPAL TERMS AND, IF ACCEPTED BY YOU AND APPROVED BY US, IS INTENDED AS A FRAMEWORK FOR ANY DOCUMENTATION THEREOF AND AS A BASIS FOR FURTHER DISCUSSION OF THE TERMS. DELIVERY OF ANY FINAL TERM SHEET IS SUBJECT TO COMPLETION BY THE LENDERS OF THE NECESSARY UNDERWRITING, DUE DILIGENCE AND APPLICABLE CREDIT APPROVAL. THE BORROWER AGREES THAT THIS TERM SHEET IS FOR ITS CONFIDENTIAL USE ONLY AND WILL NOT BE DISCLOSED, WITHOUT PRIOR WRITTEN CONSENT, TO ANY PERSON OTHER THAN ITS ACCOUNTANTS, ATTORNEYS AND OTHER ADVISORS OR PURSUANT TO THE TERMS OF A MANDATE LETTER.</i></p>																

88332233.2

Presented and Approved: April 2, 2020

SUBJECT: Approval to Execute Contract No. 20-PR-CFO-29 for Irrevocable Direct Pay Letter of Credit (LOC) Supporting DC Water's Commercial Paper Program Services, TDBank, N.A.

**#20-34
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to approve a Contract No. 20-PR-CFO-29 for Irrevocable Direct Pay Letter of Credit (LOC) Supporting DC Water's Commercial Paper Program Services, TDBank, N.A.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 20-PR-CFO-29 for Irrevocable Direct Pay Letter of Credit (LOC) Supporting DC Water's Commercial Paper Program Services, TDBank, N.A., in the amount of \$362,208 per year for the base period of five years. The purpose of the contract is to provide irrevocable, direct-pay Letters of Credit to support DC Water's Commercial Paper Program. The total contract amount is \$1,811,041.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT AWARD
LETTER OF CREDIT SUPPORTING DC WATER'S COMMERCIAL PAPER PROGRAM SERVICES
(Non-Joint Use)**

Request to execute a contract for Irrevocable Direct Pay Letter of Credit (LOC) Supporting DC Water's Commercial Paper Program Services in the amount of \$362,208.00 per year for the base period of five years, for a total of \$1,811,041.00.

CONTRACTOR/SUB/VENDOR INFORMATION

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

DESCRIPTION AND PURPOSE

Base/Option Periods Contract Value:	\$1,811,041.00
Base Contract Period:	5 Years
Anticipated Contract Start Date:	05-16-2020
Anticipated Base Period Completion Date:	05-15-2025

Purpose of the Contract:

Banking firm to provide irrevocable, direct-pay Letters of Credit ("LOCs") to support DC Water's Commercial Paper Program.

Contract Scope:

- To provide a direct pay letter of credit issued by the bank 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 costs incurred in connection with the construction of capital improvements to the wastewater collection, treatment and disposal system and the water system.

Supplier Selection:

Procurement advertised and issued a Request for Proposal for the services. Seven firms responded to the solicitation. The award recommendation is based on the overall highest rated offeror.

Firm	Firm
Bank of America, N.A.	TD Bank, N.A.
JP Morgan Chase Bank, N.A.	U.S. Bank, N.A.
Royal Bank of Canada	Wells Fargo Bank, National Association
Sumitomo Mitsui Banking Corporation	

No LBE/LSBE participation.

PROCUREMENT INFORMATION

Contract Type:	Fixed Basis Points	Award Based On:	Highest Rated Offeror
Commodity:	Commercial Paper Services	Contract Number:	20-PR-CFO-29
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		


BUDGET INFORMATION

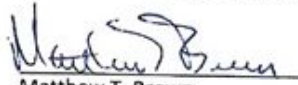
Funding:	Operating	Department:	Department of Finance
Service Area:	DC Water Wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100%	\$1,811,041.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$1,811,041.00

 3/12/20
 Ivan Boykin
 Director of Finance
 Date

 3/12/2020
 Dan Bae
 VP of Procurement and Compliance
 Date

 3/12/2020
 Matthew T. Brown
 CFO and EVP of Finance and Procurement
 Date

 3/26/20
 David L. Gadis
 CEO and General Manager
 Date

Presented and Approved: April 2, 2020

**SUBJECT: Approval to Renew the Bank Credit Facility Supporting
2014B-1 and 2014B-2 Bonds, TDBank, N.A.**

**#20-35
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on April 2, 2020 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to approve the renewal of the Bank Credit Facility Supporting 2014B-1 and 2014B-2 Bonds, TDBank, N.A.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the renewal of the Bank Credit Facility Supporting 2014B-1 and 2014B-2 Bonds, TDBank, N.A in the amount of \$232,571.00 per year for the base period of five years. The purpose of the contract is to secure DC Water's Variable Rate Demand Bonds issued in 2014. The total amount is \$1,172,855.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES RENEWAL
BANK CREDIT FACILITY SUPPORTING 2014B-1 AND 2014B-2 BONDS
(Non-Joint Use)**

Request to renew the Bank Credit Facility Supporting 2014B-1 and 2014B-2 Bonds in the amount of \$232,571.00 per year for the base period of five years, for a total of \$1,172,855.00 (includes \$10,000 legal fees in first year).

CONTRACTOR/SUB/VENDOR INFORMATION

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

DESCRIPTION AND PURPOSE

Base Value:	\$879,726.00
Base Period:	July 24, 2014 – July 23, 2017
Previous Renewal Value:	\$840,000.00
Previous Renewal Period:	July 24, 2017 – July 23, 2020
Current Renewal Value:	\$1,172,855.00
Current Renewal Period:	July 24, 2020 – July 23, 2025

Purpose of the Contract:

Banking firm is required to secure DC Water's Variable Rate Demand Bonds (VRDB) issued in 2014.

Contract Scope:

- VRDBs require a bank provided credit facility.
- The credit facility provides liquidity and can be used to 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 2014B bonds.

No LBE/LSBE participation.

PROCUREMENT INFORMATION

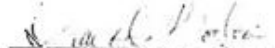
Contract Type:	Fixed Basis Points	Award Based On:	Highest Rated Offeror
Commodity:	Bank Credit Facility	Contract Number:	N/A
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		


BUDGET INFORMATION

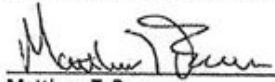
Funding:	Operating	Department:	Department of Finance
Service Area:	DC Water Wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100%	\$1,172,855.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$1,172,855.00

 / 3/19/2020
 Ivan Boykin Date
 Director of Finance

 / 3/19/20
 Dan Bae Date
 VP of Procurement and Compliance

 / 3/19/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 / 3/26/20
 David L. Gadis Date
 CEO and General Manager