



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
162nd MEETING OF THE BOARD OF DIRECTORS**

Thursday, February 3, 2011

9:30 a.m.

5000 Overlook Avenue, SW

Room 407

AGENDA

- I. **Call to Order (Vice Chairman Timothy Firestine)**
- II. **Roll Call (Board Secretary)**
- III. **Approval of January 6, 2011 Minutes (Vice Chairman Timothy Firestine)**
- IV. **Chairman's Overview**
- V. **Executive Session**
- VI. **Committee Reports**
 1. **DC Retail Water and Sewer Rates Committee (David J. Bardin)**
 2. **Governance Committee (Alethia Nancoo)**
 3. **Human Resources and Labor Relations Committee (Anthony Griffin)**
 4. **Environmental Quality and Sewerage Services Committee (David Lake)**
 5. **Water Quality and Water Services Committee (Joseph Cotruvo)**
 6. **Finance and Budget Committee (Timothy Firestine)**
- VII. **General Manager's Report (George S. Hawkins, General Manager)**
- VIII. **Consent Items (Joint-use)**
 1. **Approval to Execute Contract No. 100020, Ulliman Schutte Construction, LLC – Resolution No. 11-14 (Recommended by the Environmental Quality and Sewerage Services Committee 01/20/11)**
 2. **Approval to Execute Contract No. DCFA #429-WSA, ARCADIS – Resolution No. 11-15 (Recommended by the Environmental Quality and Sewerage Services Committee 01/20/11)**
 3. **Approval to Execute Option Year Two of Contract No. WAS-06-022-AA-MB, CIGNA HealthCare – Resolution No. 11-16 (Recommended by the Environmental Quality and Sewerage Services Committee 01/20/11)**
 4. **Approval to Execute Option Year Three of Contract No. WAS-06-023-AA-MB, CIGNA HealthCare – Resolution No. 11-17 (Recommended by the Environmental Quality and Sewerage Services Committee 01/20/11)**

5. [Approval of Fiscal Year 2010-2019 Capital Improvement Program – Resolution No. 11-18](#) (Recommended by the Environmental Quality and Sewerage Services, Water Quality and Water Services – 01/20/11 and Finance and Budget Committee 02/01/11) - deferred 01/06/11 Board meeting
6. [Approval of Fiscal Year 2012 Capital Authority Request – Resolution No. 11-19](#) (Recommended by the Environmental Quality and Sewerage Services, Water Quality and Water Services – 01/20/11 and Finance and Budget Committee 02/01/11) – deferred 01/06/11 Board meeting
7. [Approval of Fiscal Year 2010-2019 Ten Year Financial Plan – Resolution No. 11-20](#) (Recommended by the Environmental Quality and Sewerage Services, 01/20/11 and DC Retail Water and Sewer Rates 01/25/11 and Finance and Budget Committee Pending) – deferred 01/06/11 Board meeting
8. [Approval of Fiscal Year 2012 Proposed Operating Budget – Resolution No. 11-21](#) (Recommended by the Finance and Budget Committee 02/01/11) – deferred 01/06/11 Board meeting
9. [Approval of Pay-As-You-Go Capital Financing Policy – Resolution No. 11-22](#) (Recommended by the Finance and Budget Committee 02/01/11)

IX. Consent Items (Non-Joint Use)

10. [Approval of Proposed Water and Sewer Service Rates, Right-of-Way \(ROW\) and Payment in Lieu of Taxes \(PILOT\) Fee and Impervious Area Charge \(IAC\) for Fiscal Year 2012 – Resolution No. 11-23](#) (Approved at 01/06/11 Board meeting and revised by the DC Water and Sewer Retail Rates Committee on 01/25/11)
11. [Approval to Execute Supplemental Agreement No. 02 of Contract No. DCFA 427, JA Underground: Professional Corporation – Resolution No. 11-24](#) (Recommended by Water Quality and Water Services Committee 01/20/11)

X. Adjournment

Upcoming Committee Meetings

- Environmental Quality and Sewerage Services Committee – Thursday, February 17th @ 9:30 a.m., 5000 Overlook Avenue, SW – 4th Floor
- Water Quality and Water Services Committee – Thursday, February 17th @ 11:30 a.m., 5000 Overlook Avenue SW – 4th Floor
- DC Retail Water and Sewer Rates Committee – Tuesday, February 22 @ 9:00 a.m., 810 First Street, NE – 11th Floor
- Audit Committee – Thursday, February 24th @ 9:30 a.m., 5000 Overlook Avenue SW
- Finance and Budget Committee – Thursday, February 24th @ 11:00 a.m., 5000 Overlook Avenue SW – 4th Floor



DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY



GENERAL MANAGER'S REPORT

George S. Hawkins
General Manager
Feb 2011

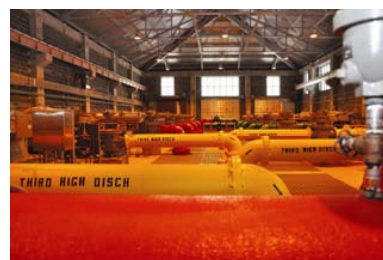


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Interpretation of Charts A

Color Key

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

ORGANIZATIONAL PERFORMANCE DASHBOARD (DECEMBER, 2010)

Financial Highlights

| | | | |
|--|---|---|---|
| <p>Net Operating Cash</p> <p>Actual 8617</p> <p>Target 12</p> <p>(\$ tho)</p> | <p>Operating Revenues</p> <p>Actual 97</p> <p>Target 100</p> <p>(\$ mil)</p> | <p>Operating Expenses</p> <p>Actual 86</p> <p>Target 101</p> <p>(\$ mil)</p> | <p>Capital Disbursements</p> <p>Actual 61</p> <p>Target 83</p> <p>(\$ mil)</p> |
| <p>Operating Cash Balance</p> <p>Actual 131</p> <p>Target 125</p> <p>(\$ mil)</p> | <p>Delinquent Account Receivables</p> <p>Actual 2</p> <p>Target 3</p> <p>(%)</p> | <p>Investment Cash Earnings</p> <p>Actual 93</p> <p>Target 136</p> <p>(\$ tho)</p> | <p>Investments Yield</p> <p>Actual 0.38</p> <p>Target 0.14</p> <p>(%)</p> |

Consumer Services Highlights

| | | | |
|---|--|---|---|
| <p>Call Center Performance</p> <p>✓ Dec 87</p> <p>85 (% of calls rec)</p> | <p>Command Center Performance</p> <p>✓ Dec 85</p> <p>85 (% of calls rec)</p> | <p>First Call Resolution</p> <p>✓ Dec 82</p> <p>75 (% of calls rec)</p> | <p>Emergency Response Time</p> <p>✓ Dec 99</p> <p>90 (% of calls rec)</p> |
| <p>Fire Hydrants out of Service</p> <p>✓ Dec 88</p> <p>91 (count)</p> | <p>Fire Hydrant Inspection</p> <p>27</p> <p>(count)</p> | <p>Fire Hydrants Repaired</p> <p>153</p> <p>(count)</p> | <p>Fire Hydrants Replaced</p> <p>! Dec 7</p> <p>21 (count)</p> |
| <p>Permit Processing within SLA</p> <p>91</p> <p>(%)</p> | | | |

Low Income Assistance Program

| | |
|--|--|
| <p>Splash Contributions</p> <p>Actual 26</p> <p>Target 20</p> <p>(\$ tho)</p> | <p>Customer Assistance Program</p> <p>Actual 60</p> <p>Target 250</p> <p>(\$ tho)</p> |
|--|--|

Operational Highlights

| | | | |
|---|--|--|---|
| <p>Lead Concentration</p> | <p>Total Coliform Rule</p> | <p>Biosolids Production</p> <p>1218</p> <p>(wet tons)</p> | <p>Total Nitrogen</p> |
| <p>Plant Influent Flow</p> | <p>Excess Flow</p> <p>0</p> <p>(gal mil)</p> | <p>Water Main Leaks</p> <p>131</p> <p>(count)</p> | <p>Water Valve Leaks</p> <p>1</p> <p>(count)</p> |
| <p>Non-Revenue Water</p> <p>Sold 11</p> <p>Purchased 15</p> <p>(CCF mil)</p> | <p>Sewer Main Backups</p> <p>11</p> <p>(count)</p> | <p>Sewer Lateral Backups</p> <p>168</p> <p>(count)</p> | <p>Combined Sewer Overflow</p> <p>0</p> <p>(events)</p> |
| <p>Open Positions</p> <p>Open 65</p> <p>Filled 11</p> <p>(count)</p> | <p>Electricity Usage</p> <p>23422</p> <p>(MWh)</p> | <p>Employee Lost Time Incidents</p> <p>12</p> <p>(count)</p> | |

EXECUTIVE SUMMARY

Greetings to the Board! I write on the eve of another predicted snow-fall, although where last winter featured massive snow storms, this season has featured record cold temperatures. The result for us has been water main breaks and leaks on pace to set a record for the year, although obviously we are only through the first quarter. In parallel with our efforts in the field, we have been busy in the office with our 2012 proposed budget, financial plan and CIP...

Budget

Again, I offer our thanks and appreciation to the many Trustees who have stepped forward with questions, comments and suggestions on the content of the 2012 proposed budget, and both the content and presentation of the financial plan and capital program. I want to express particular appreciation to David Bardin and Alan Roth, who have reviewed the documents in detail, raised substantive questions about how information is presented and what it means, and constructive solutions to improve the effort. The two biggest issues that have been identified are 1) to identify clearly the total cost to the customer of all projected increases associated with the financial plan and CIP, rather than isolating just the increase to the volumetric rate; and 2) to clarify the nature of the projected cost allocations to the District and wholesale customers—and that the allocations are often either projections or averages, or both, which may differ from actual allocations for particular projects or components that are part of the CIP. While many issues will continue to be reviewed in the weeks and months ahead, we believe we have made changes to the language associated with these documents, and the associated schedules, that will enable the Board to approve the proposed 2012 budget.

Team Blue II

I have written before about our first steps in the Team Blue project – which centered on improved communication and safety. Our next step is the natural evolution of this effort, yet ultimately much broader in scope – which is to employ a team-oriented approach to drive performance improvements at DC Water. Although we realize that such measures are elusive, we have set ourselves the goal to be the best water and wastewater utility in the world. To attain this goal, we will identify key areas where we can achieve performance improvements, and then develop teams of employees from every level of the enterprise to determine how we can improve. As a first step, the Executive Team is engaging in sessions to determine the areas most in need of performance improvement. This approach stems from my conviction that people are most productive when they have a say in decisions governing their work, and that the decisions are better made when people doing the work are an integral part of the process. We have brought David Cross – previously the Director of Water and Sewer Pumping Maintenance – to facilitate this phase of Team Blue. David is a professional with two decades of experience in the field, including providing private consulting services on this approach to water and wastewater authorities. We will have much more to report, but I am very excited by the prospects of this effort.

EXECUTIVE SUMMARY

Welcome to our new Procurement Director!

On January 18th, DC Water welcomed Rosalind Inge as the new Procurement Director. Rosalind's most recent role was with the District Department of the Environment where she directed the operational support functions of the agency including budgeting, financial and grants management; contracting and procurement; human resources; labor relations; risk and emergency management; information technology; and training. Ms. Inge has held many senior positions in the District of Columbia government, including Chief of Staff to DDOT. I know her to be exceedingly capable and an exceptional manager and am certain that her arrival heralds a new and exciting phase in continuing to make DC Water procurement efficient and effective.

I would also like to thank Teresa Scott for her tremendous work as Acting Director. Teresa will be returning to her position as a Manager in our Procurement Department and we are grateful for her expertise and leadership during the interim period.

Water Services

December saw an unprecedented number of leak repairs on the water distribution system, totaling 217 for the month. Persistent cold weather meant that crews repaired an additional 101 leaks through January 19. Weather forecasts call for increasingly cold weather for the remainder of the month and we anticipate much higher repair numbers by month's end.

Our employees have performed admirably during this operational crisis with customer responsiveness remaining high and repairs progressing seamlessly throughout the city. However, there are costs associated with these activities and we anticipate some budget pressure on our paving and restoration contract, our infrastructure repair contract, and our overtime budgets. We will monitor these budget items closely and plan to brief the Water Quality and Water Services committee in May on our winter performance, including some costly repairs that fell well above the norm.

Public Affairs

- I appeared in a CNN segment about the nation's aging water infrastructure. The interview was actually shot this past summer, but the message about water mains and their impact on people's lives is still very timely. I will be on the Mark Segaves show on the afternoon of the Board meeting itself – so stay tuned. My work at DC Water was also highlighted in the newsletter for the Princeton Environmental Institute – which you can find at <http://www.princeton.edu/pei/news/archive/?id=4383>.
- The Office of Public Affairs coordinated the installation of a 34-foot DC Water sign on the solids building at the south end of the plant. The sign is visible from the Woodrow Wilson Bridge and Old Town Alexandria. The team's next task is to light it for nighttime viewing. I went to Old Town to check it out – and can report that our facility is now visible from the Virginia side of the River.
- The Fiscal Year 2010 DC Water Annual Report has arrived, and each of you has a copy at your desk. I should note that the Board met its statutory deadline to deliver this document to the Council and the Mayor more than a week ahead of schedule. Public Affairs designed, wrote and edited this document entirely in-house for the first time ever. The report is also the least expensive in our agency's history.

SUMMARY OF FINANCIAL ACTIVITIES FROM THE CFO

The performance dashboard provides a summary of the FY 2011 first quarter financial highlights for the Authority for use by the Board. Additional information is available in the monthly financial report. At the end of December, with 25 percent of the fiscal year completed, we are on track with budgetary expectations.

Financial activities in December focused on completion of the closeout process for the FY 2010 financial year (and associated audit), as well as the proposed FY 2012 Budget. The FY 2010 closeout process is complete with an unqualified audit report. The annual grant audit and the issuance of the Comprehensive Annual Financial Report (CAFR) are planned for January 2011.

Operating Revenues & Receipts

At the end of December 2010, cash receipts totaled \$96.7 million, or 24 percent of the revised FY 2011 budget. As previously reported, all customers making quarterly payments have submitted their payments.

Operating Expenditures

At the end of December 2010, with 25 percent of the fiscal year completed, operating expenditures (including debt service and the right of way and PILOT fees) totaled \$85.9 million, or 21 percent of the FY 2011 revised budget of \$403.4 million. These numbers include estimated incurred but unpaid invoices.

Capital Disbursements

For the month of December 2010, capital disbursements totaled \$21.7 million, with year-to-date disbursements totaling \$60.6 million or 19 percent of the FY 2011 (proposed) revised disbursements budget. Planned capital disbursements through December 2010 were \$83.1 million or 26 percent of the FY 2011 (proposed) revised budget. All major projects are currently on target, though actual expenditures lag due to delayed invoicing in the Blue Plains and Combined Sewer Service areas, as well as timing of the Owner-Controlled Insurance Program (OCIP) accruals.

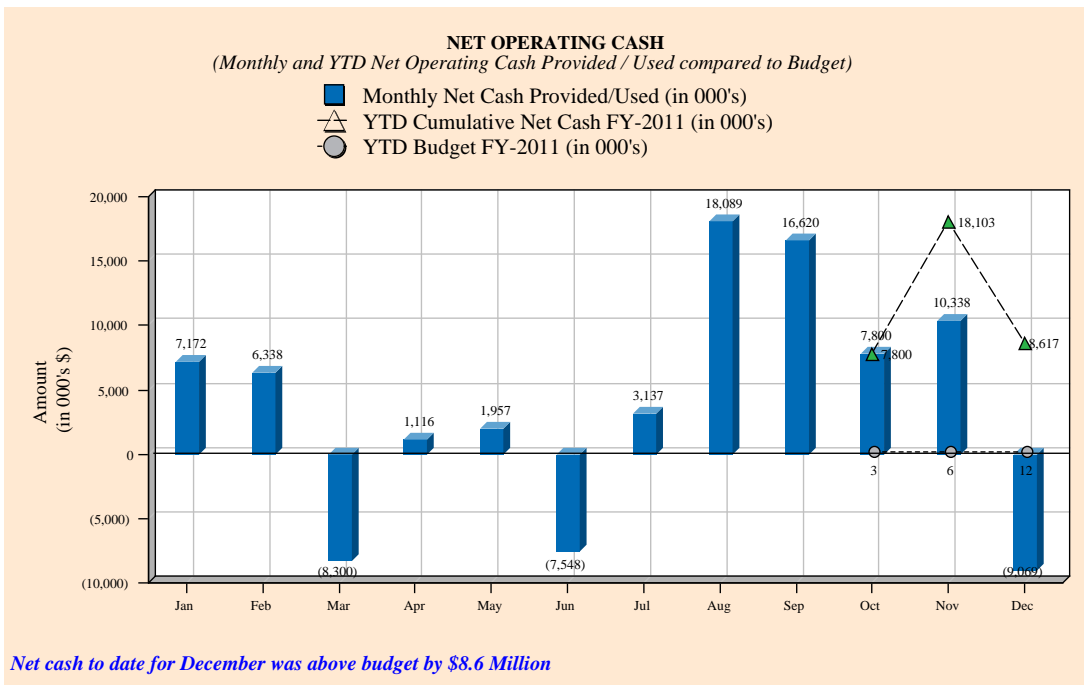
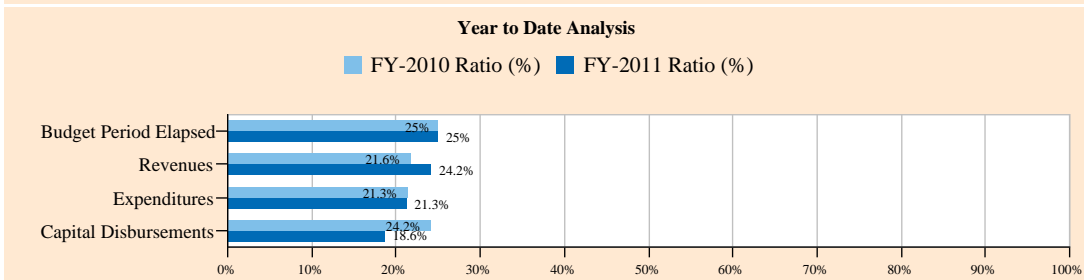
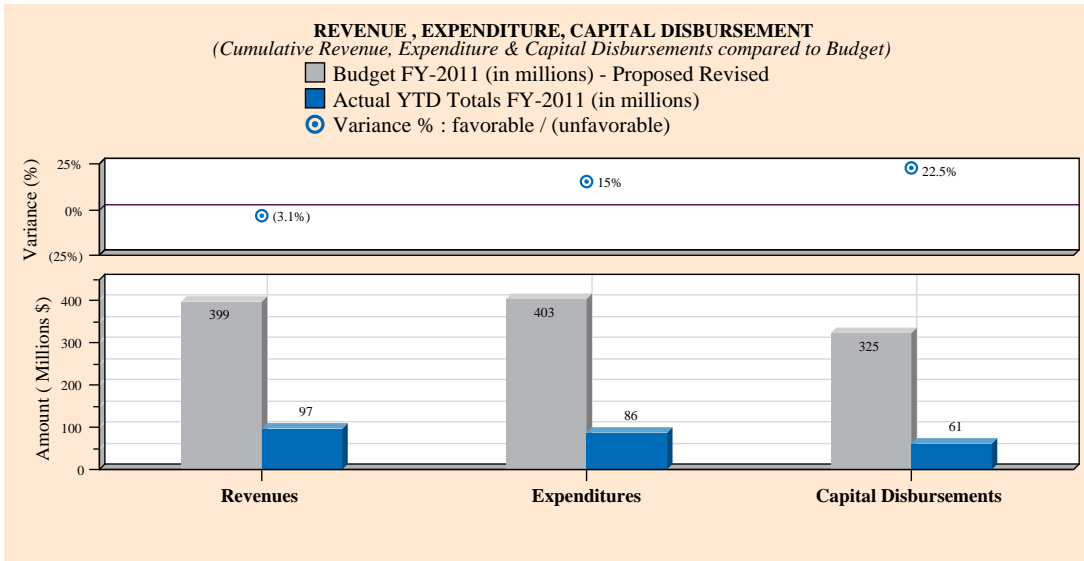
Cash Reserves and Investments

At the end of December 2010, our operating reserve balance was \$131.1 million as compared to the FY 2011 operating reserve level objective of \$125.5 million. The balance in the Rate Stabilization Fund at the end of December remained unchanged from the previous month at \$16.7 million. The CSO LTCP appropriation account balance also remained unchanged at \$78.6 million.

The December yield on the Authority's investment portfolio was 0.38 percent, 24 basis points higher than the targeted benchmark rate. The targeted benchmark is the three-month U.S. Treasury Bill, which had a return of 0.14 percent. Interest earnings on a cash basis in December totaled \$40,369.

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



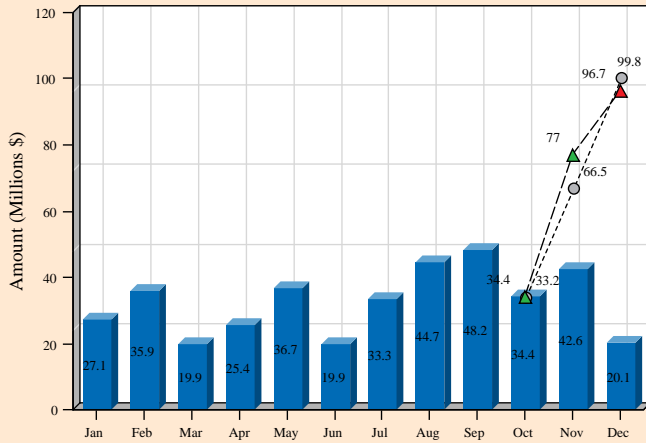
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2011
- YTD Cumulative Budget FY-2011

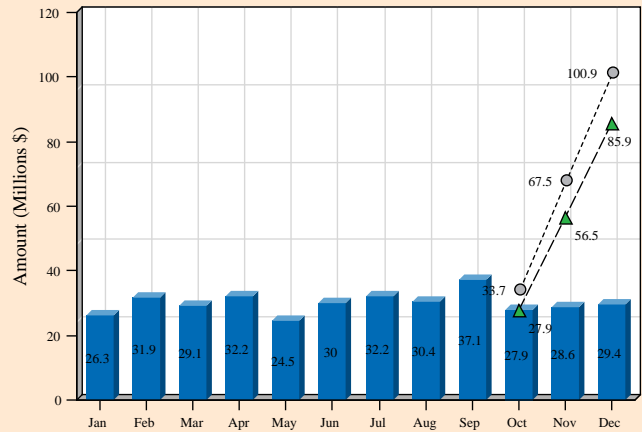


Revenue to date for December is below budget by \$3 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2011
- YTD Cumulative Budget FY-2011



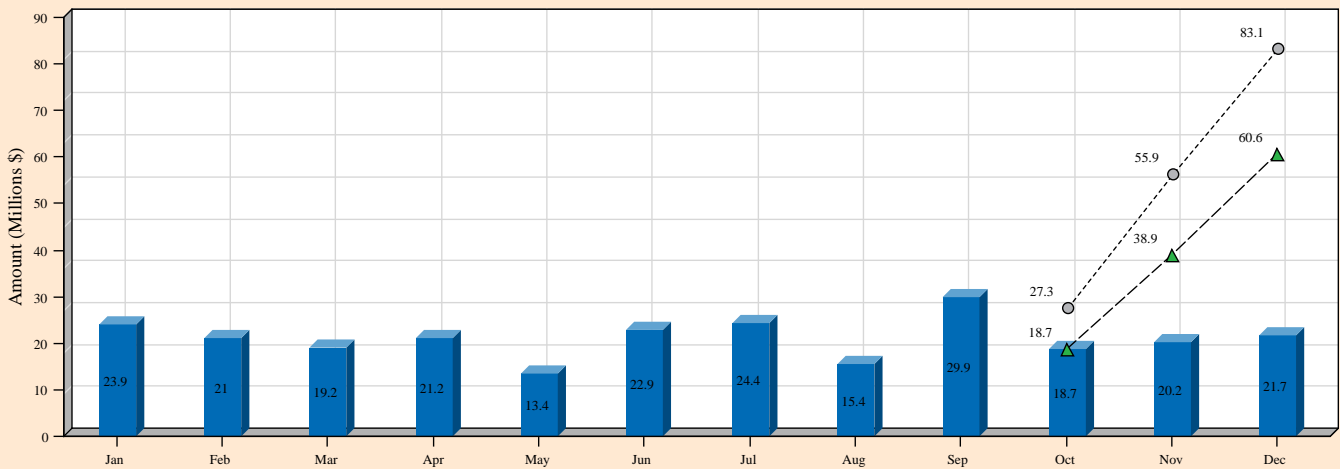
Expenditure to date for December is below budget by \$15 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2011
- YTD Cumulative Budget FY-2011



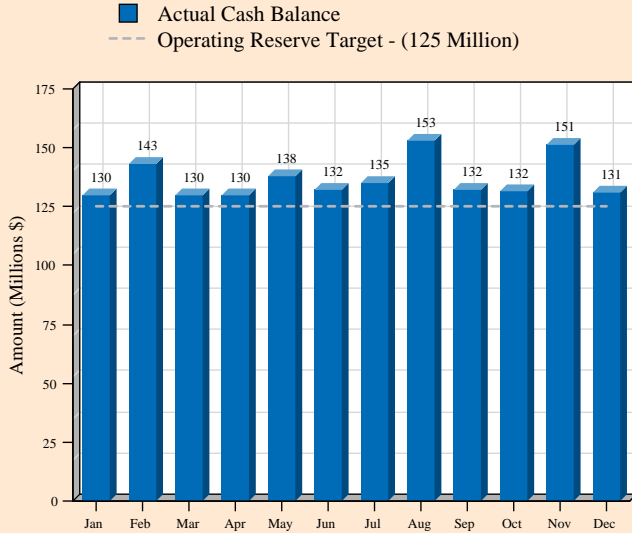
Disbursements to date for December are below budget by \$22 Million

FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

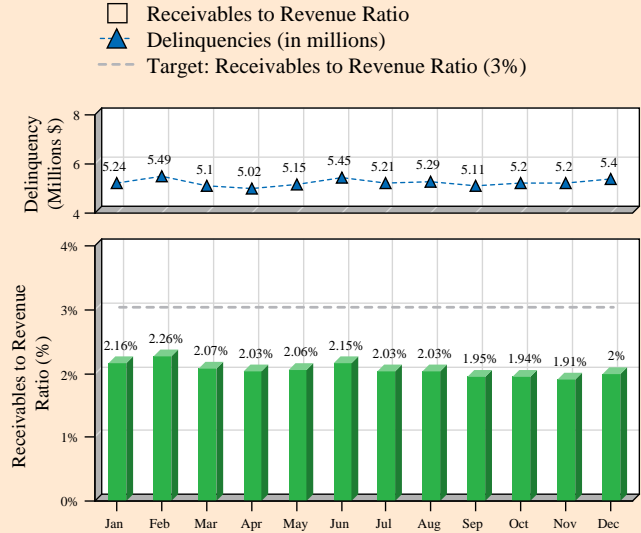
Average Daily Cash Balance compared to Operating Reserve Target



Cash Balance for December is above target by \$6 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

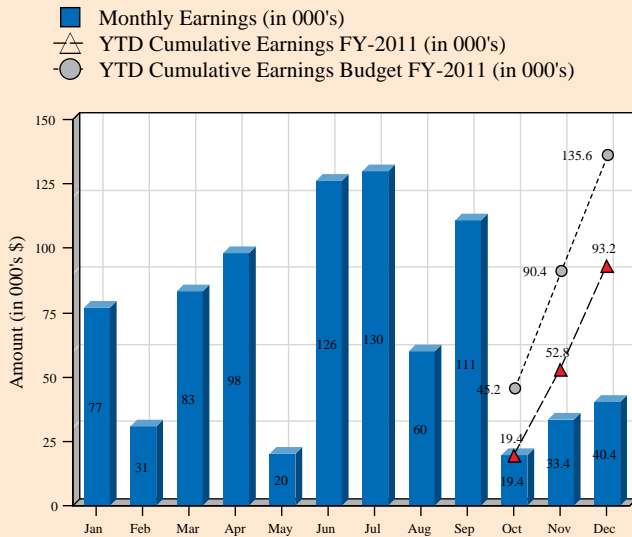


December Receivables to Revenue Ratio 2%, Delinquency \$5.4 Million

INVESTMENT PERFORMANCE

INVESTMENT CASH EARNINGS

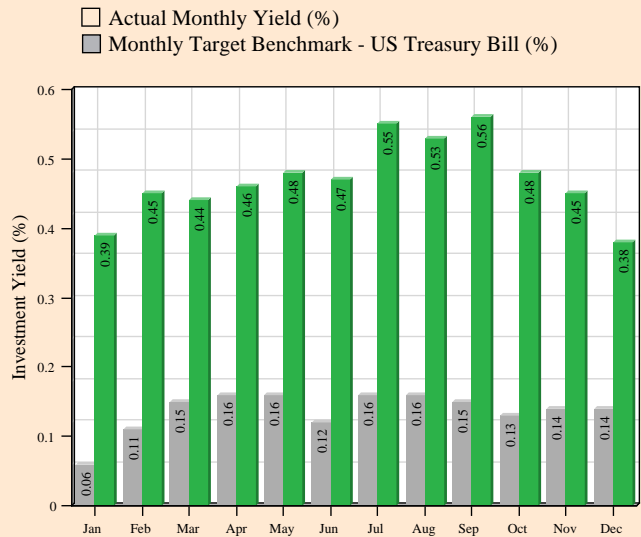
Monthly & Cumulative Earnings compared to YTD Budget



Earnings to date for December are below Projected Budget by \$42,400

INVESTMENTS YIELD

Monthly Yield compared to US Treasury Benchmark



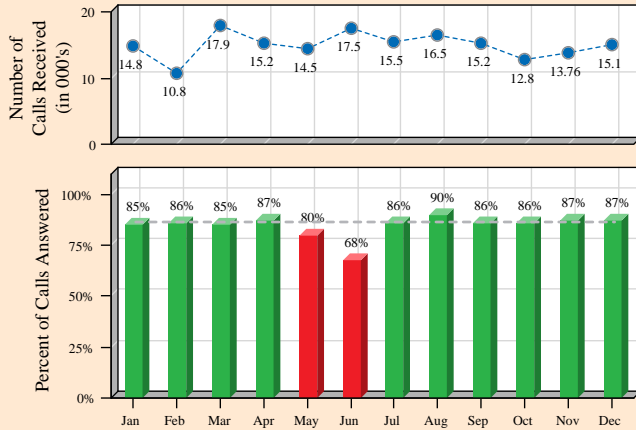
Yield for December was higher than the treasury yield by 0.24%

CONSUMER SERVICES HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

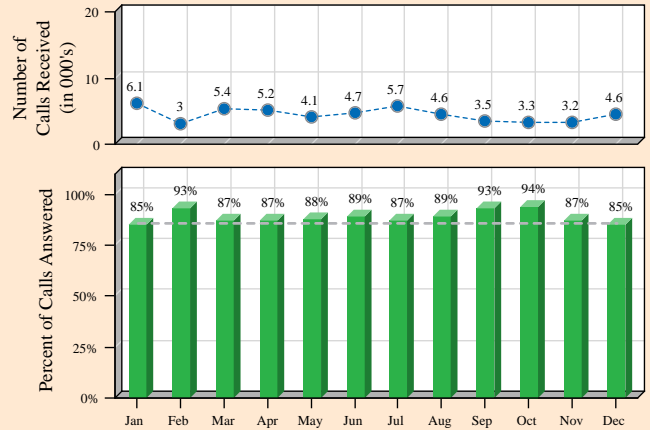
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- - - Target -Call Center (85%)



Performance for December was above target by 2%

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

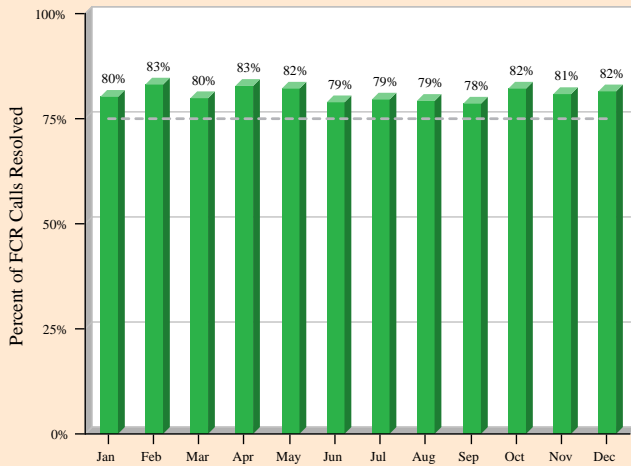
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- - - Target -Command Center (85%)



Performance for December was on target at 85%

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

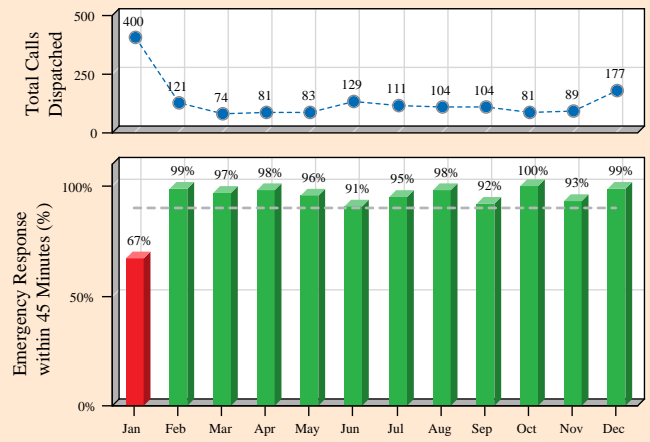
- FCR (%)
- - - FCR Target (75%)



Performance for December was above target by 7%

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

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



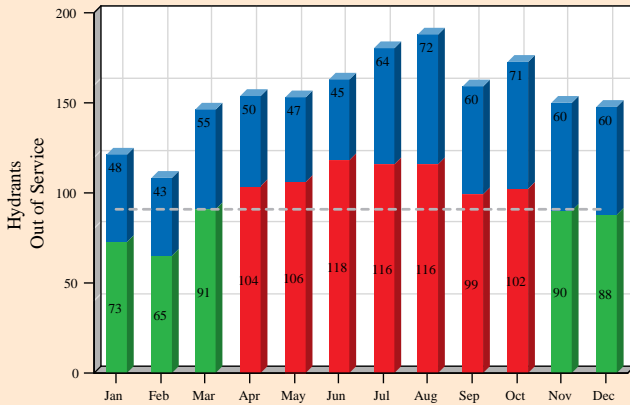
Performance for December was above target by 9%

CONSUMER SERVICES HIGHLIGHTS

FIRE HYDRANTS

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

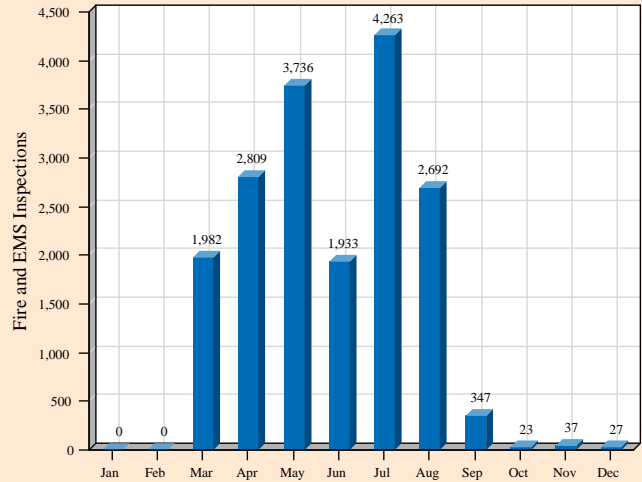
- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (91)



Fire Hydrant contractor was mobilized at the end of December

FIRE HYDRANT INSPECTION
Total Hydrants Inspected per Month

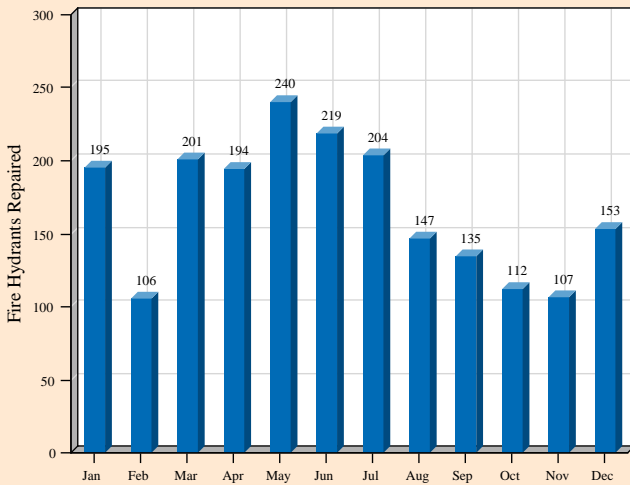
- Total No of Fire and EMS Hydrant Inspections



Fire and EMS Phase II assessment program completed on Sept 30th, 2010

FIRE HYDRANT REPAIRS
Total Hydrants Repaired per Month

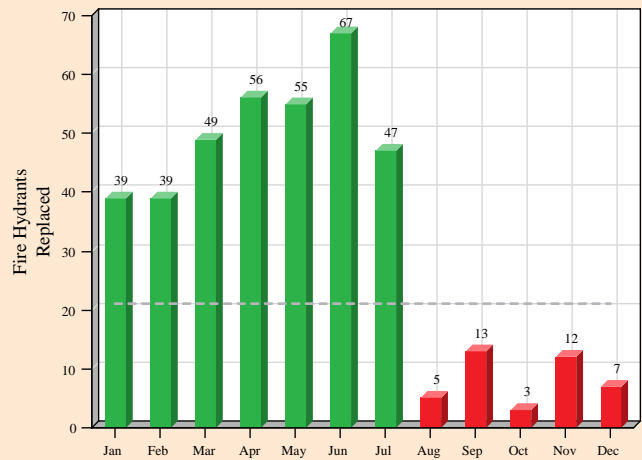
- Total No of Hydrants Repaired



OOS fire hydrants returned to service in December were 153

FIRE HYDRANT REPLACEMENTS
Total Hydrants Replaced per Month

- Hydrants Replaced
- Hydrant Replacement Target (21)

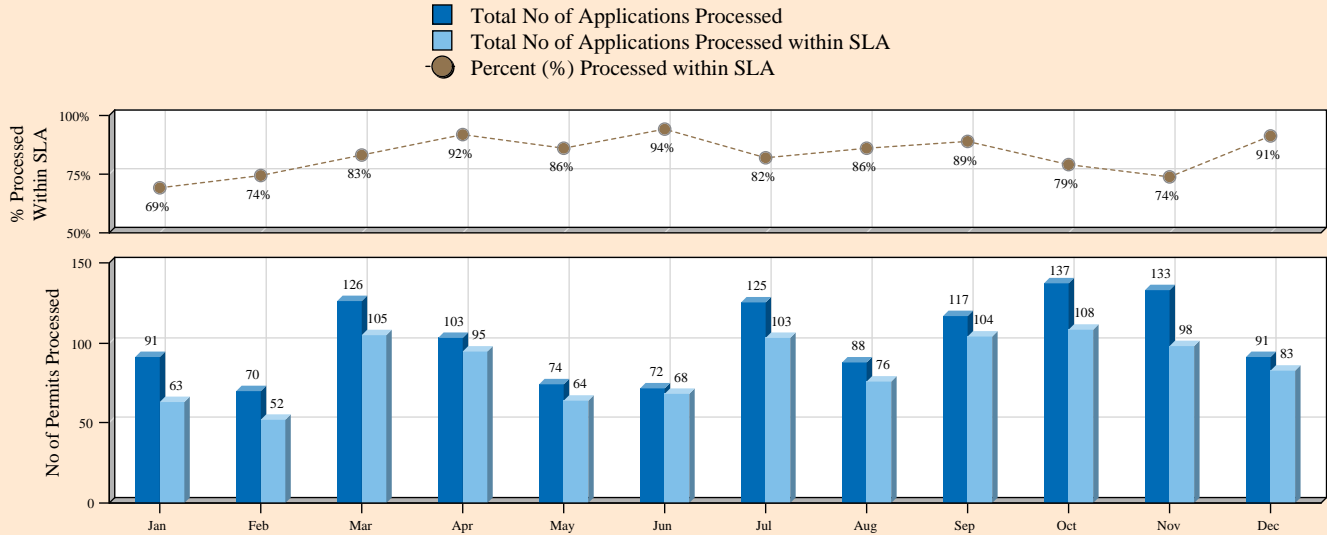


Fire Hydrant replacement contractor fully mobilized at end of December

CONSUMER SERVICES HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days

Permits not processed within SLA for Dec - 9%. Note that different SLA's range from 7days to 45 days

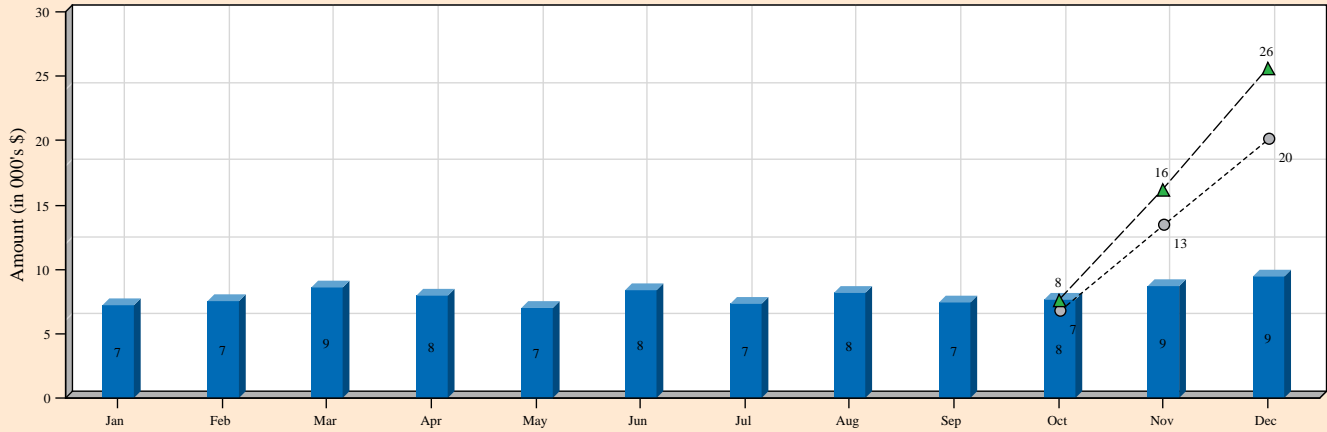
LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2011 (in 000's)
- Projected YTD Target FY-2011 (in 000's)



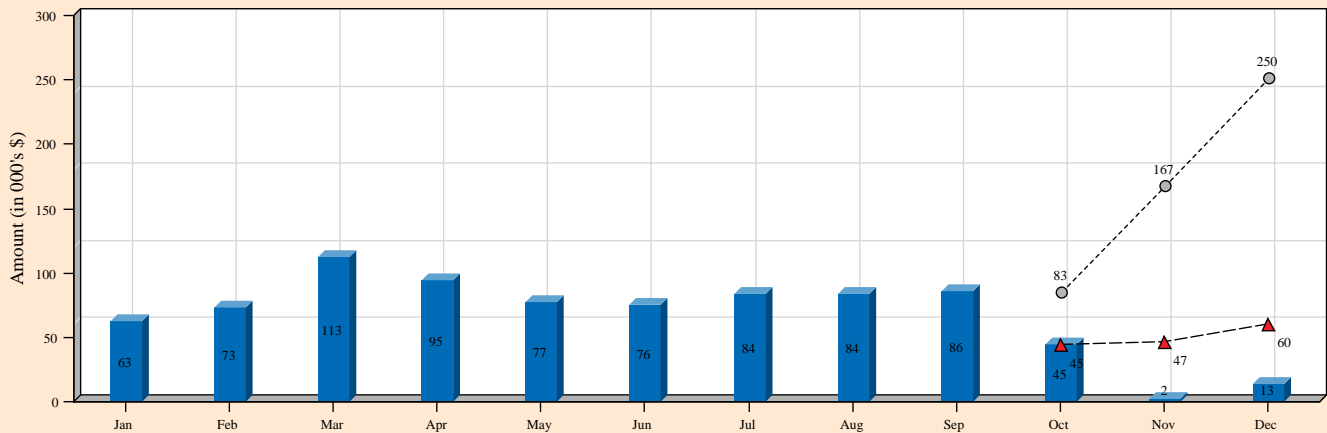
Total SPLASH Contributions to date for December were above target by \$6,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly and Cumulative Assistance Provided compared to YTD Budget

- Actual Monthly Amount (in 000's)
- △ YTD Cumulative Amount FY-2011 (in 000's)
- YTD Budget Amount FY-2011 (in 000's)



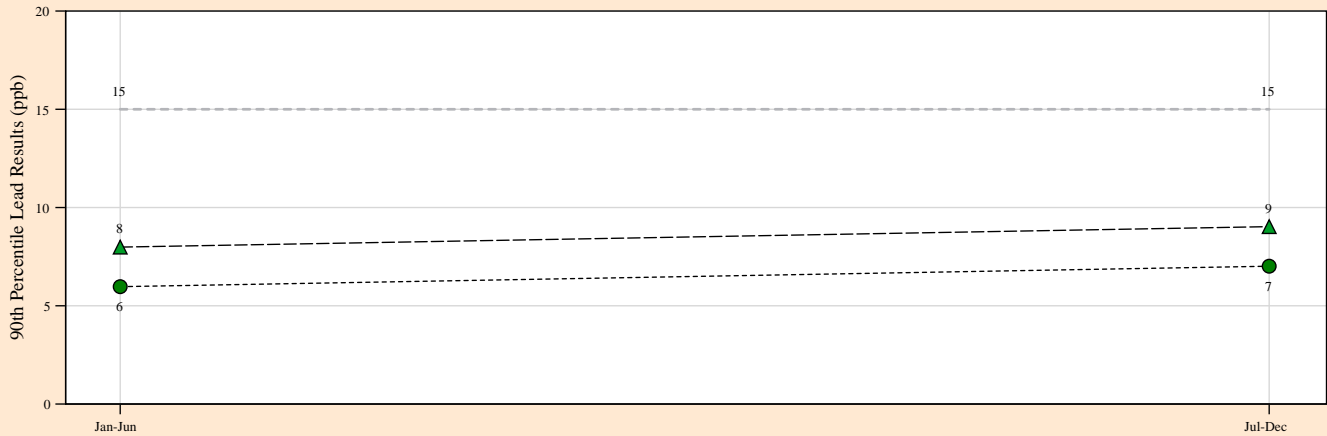
Total CAP assistance to date for December was below target by \$190,000

OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

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

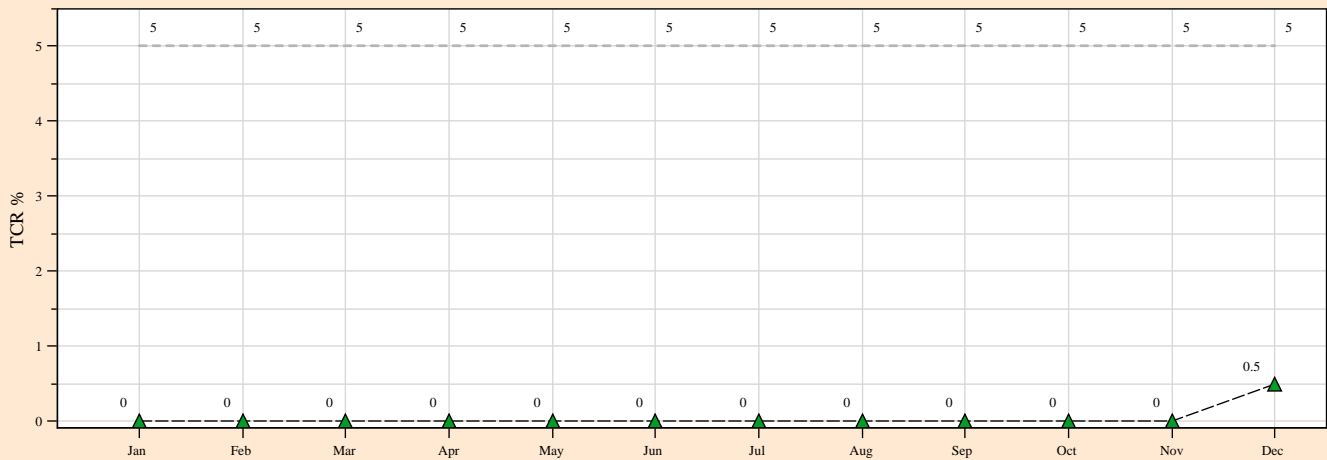
- 2009 LCR Results
- △ 2010 LCR Results
- Action Level : 15 parts per billion (ppb)



In December 9ppb result represents 90th percentile based on samples analyzed. For compliance, a minimum of 100 samples is required.

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

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



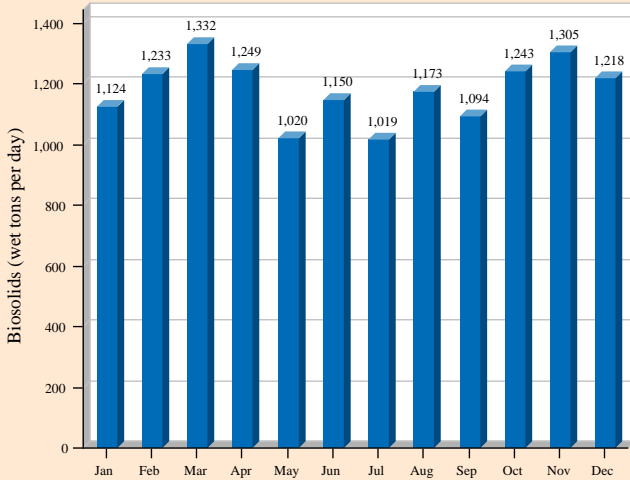
Total Coliform Positives reported in December were 0.5

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

■ Average Daily Biosolids Hauled

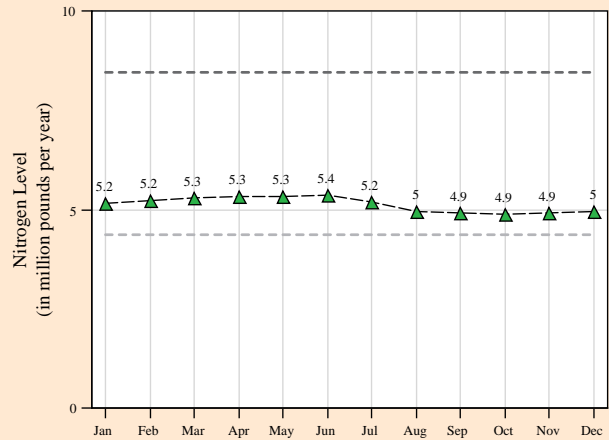


Biosolids Average Daily Production for December was 1,218 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to Current and 2015 Permit Levels

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

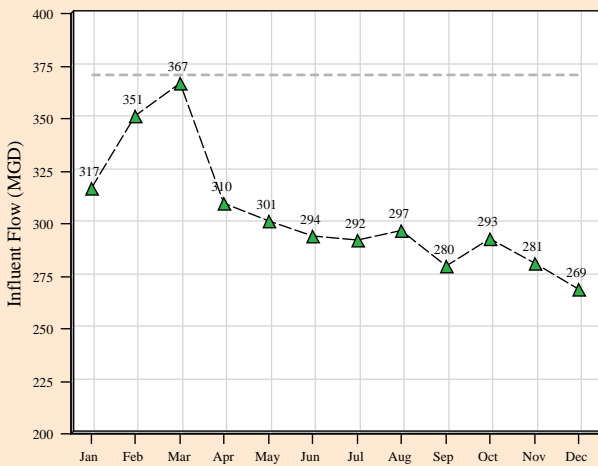


Nitrogen level for December was below permit by 3.5 million lbs/yr

PLANT INFLUENT FLOW

Influent Flow compared to Plant Design Average Limit

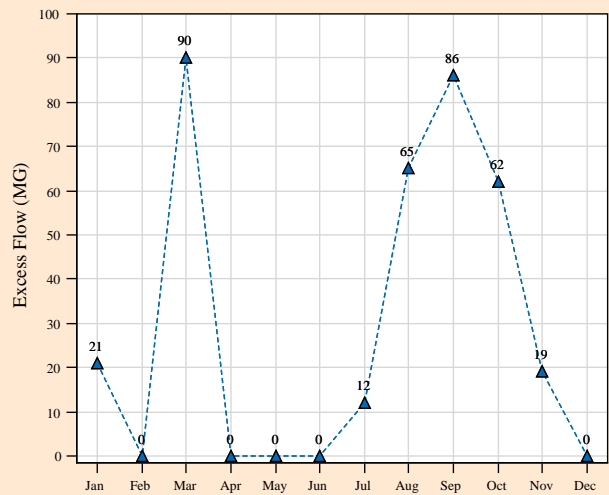
△ Influent Flow
 - - - Design Average (370 mgd)



In December, influent flow was below design by 101 MGD

EXCESS FLOW

△ Excess Flow

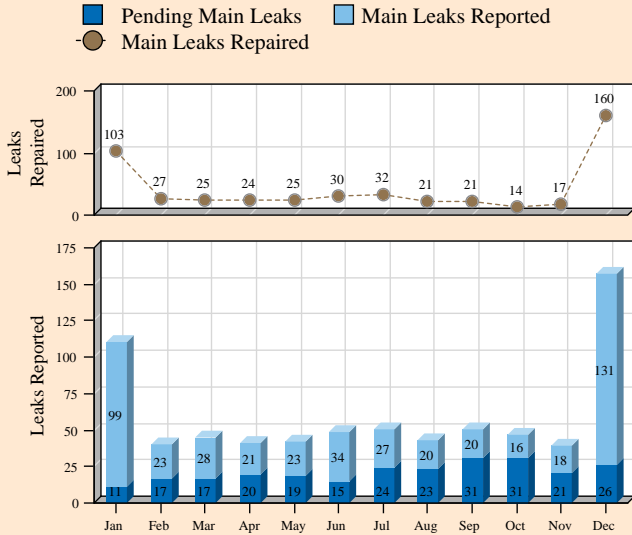


Excess flow events did not occur in December

OPERATIONAL HIGHLIGHTS

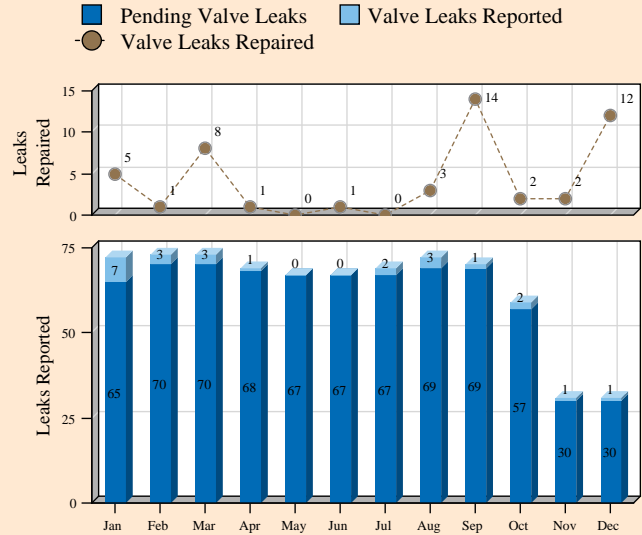
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 131 main leaks reported in December

WATER VALVE LEAKS



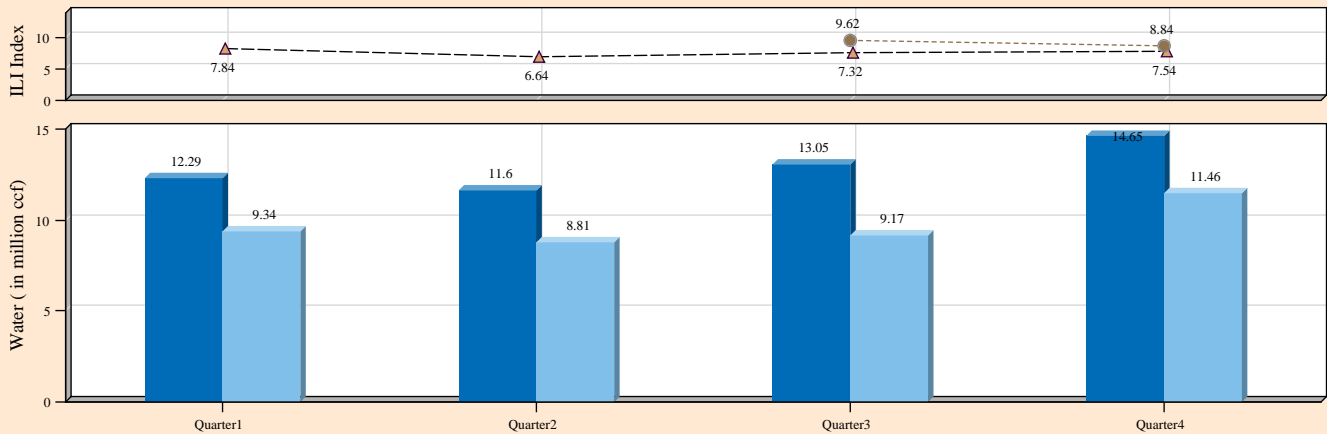
One valve leak was resolved in December

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2010: Water Purchased
- FY-2010: Water Sold
- FY-2009: Infrastructure Leakage Index
- ▲ FY-2010: Infrastructure Leakage Index



In the fourth quarter 11.5 out of 14.7 million cubic feet of water was sold

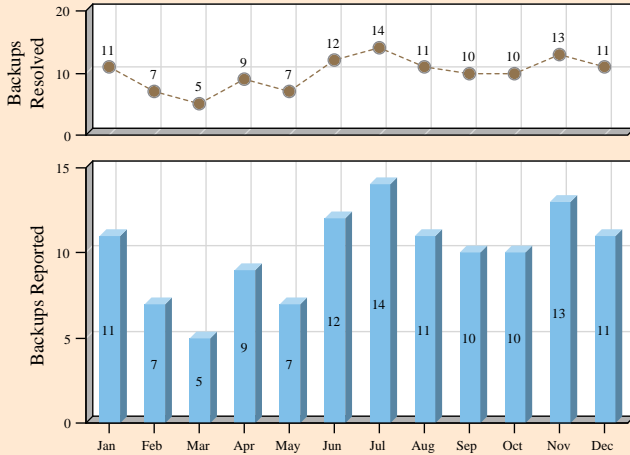
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

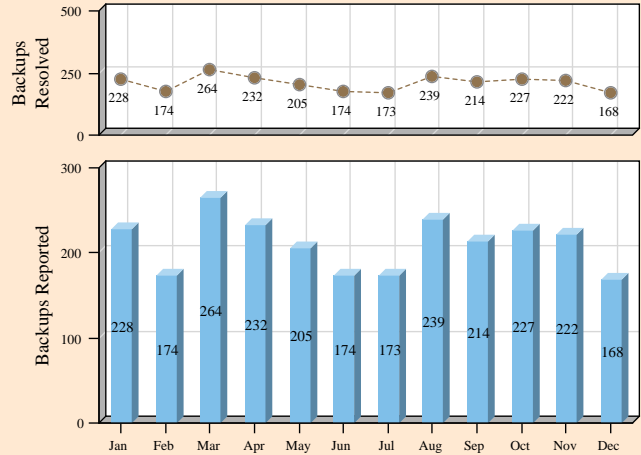


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



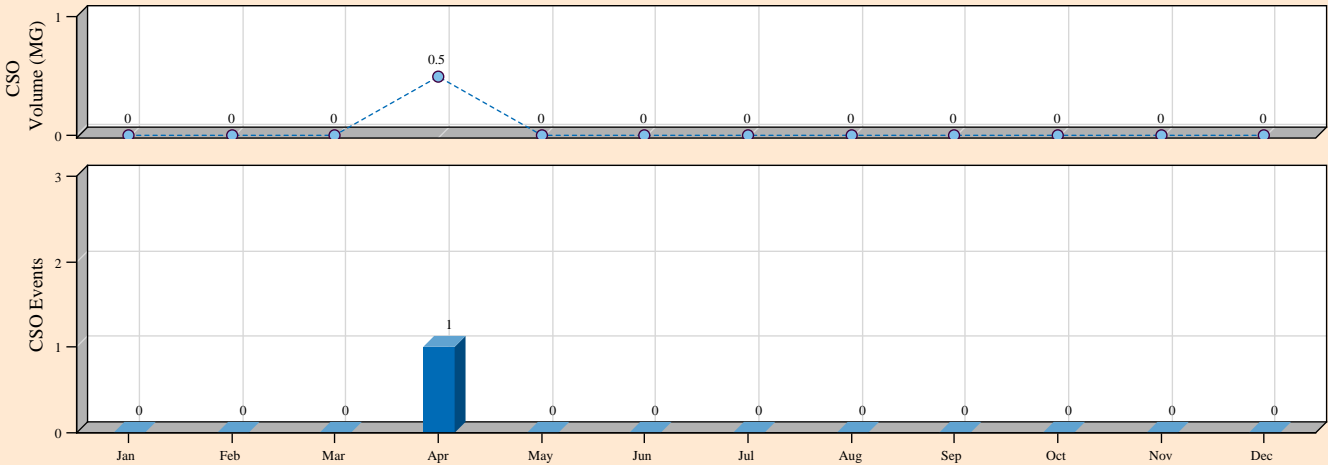
No pending lateral backups reported

COMBINED SEWER SYSTEM

COMBINED SEWER OVERFLOW (CSO) EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)



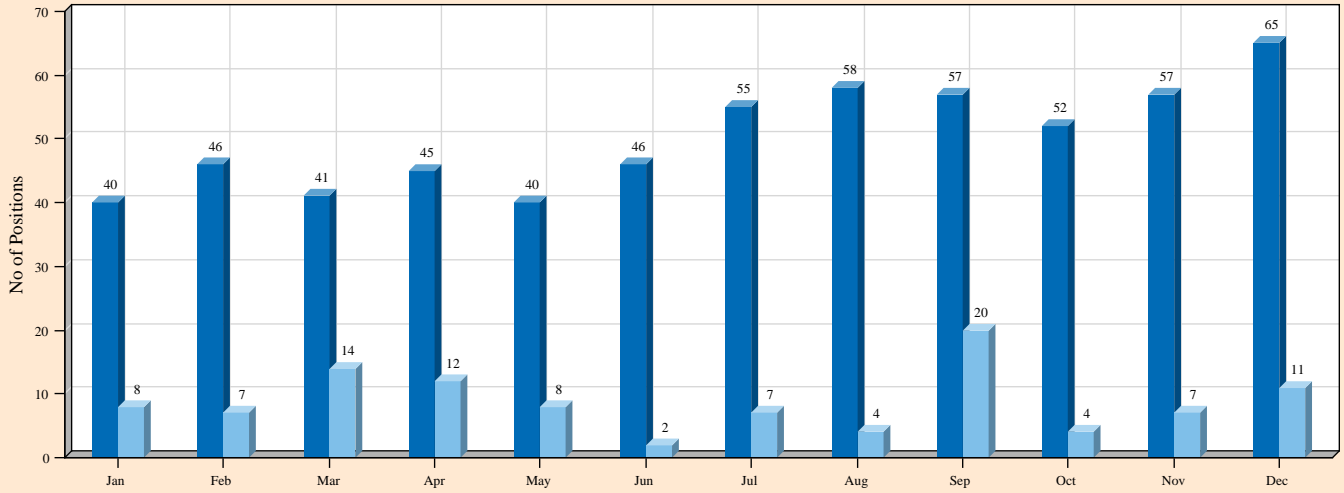
There was no dry weather Combined Sewer Overflow in December 2010

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

OPEN POSITIONS
Open Positions compared to Filled Positions per Month

■ Positions Open
■ Positions Filled



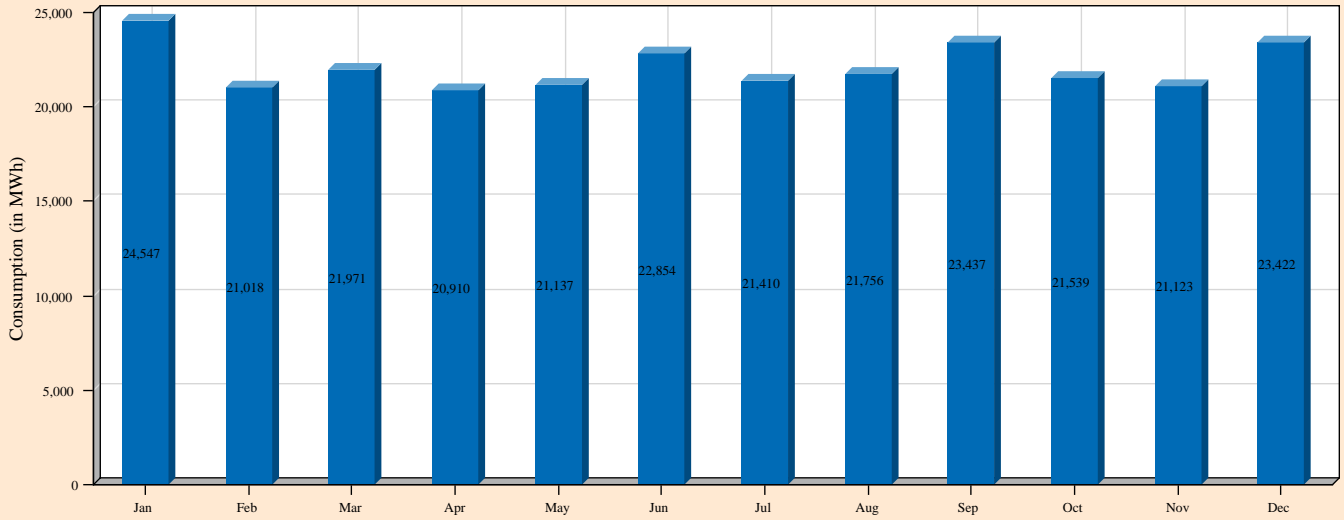
During December there were 65 open positions and 11 were filled

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

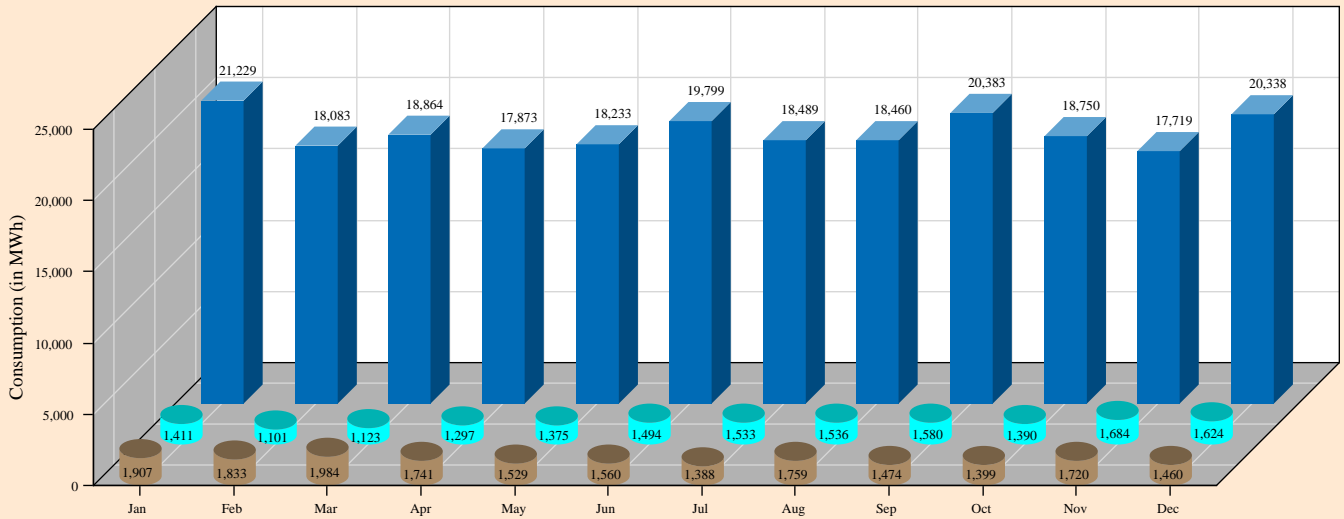
Total Consumption (MWh)



Electricity Consumption in December was 23,422 MWh

ELECTRICITY USAGE BY SERVICE AREA

Sewer Pumping Water Pumping Waste Water Treatment

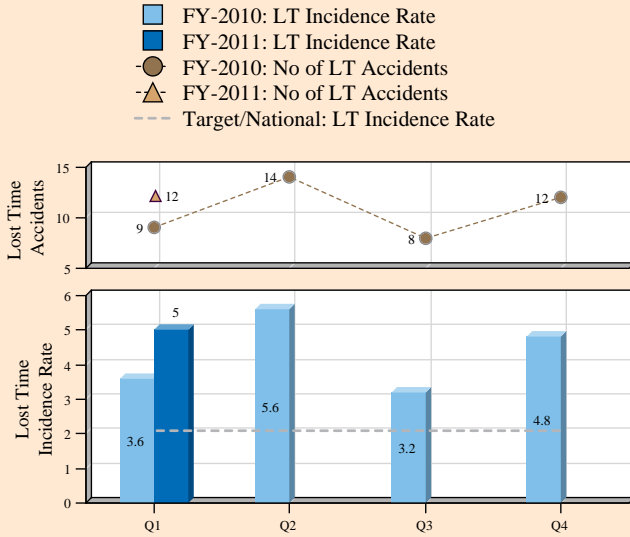


Wastewater treatment had the highest electricity consumption in December at 20,338 MWh

OPERATIONAL HIGHLIGHTS

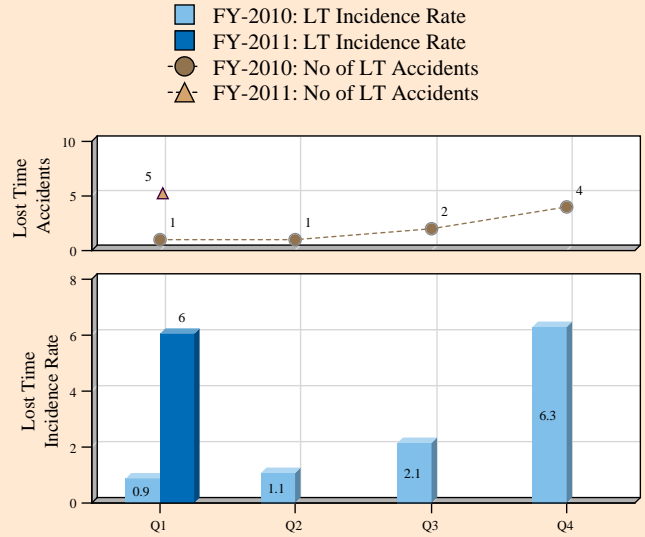
SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE



In the first quarter, 12 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE



In the first quarter, 5 lost time accidents were reported

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*

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*

Dynamic Color Coding Legend

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

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

A

CONSUMER SERVICES HIGHLIGHTS

Call Center Performance

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

Command Center Performance

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

First Call Resolution (FCR)

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

Emergency Response Time

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

Fire Hydrants Out of Service (OOS)

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

Fire Hydrant Inspection

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

Fire Hydrant Repairs

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

Fire Hydrant Replacements

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

Total Applications Processed within Service Level Agreement (SLA)

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

Dynamic Color Coding Legend

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

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

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

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

Customer Assistance Program (CAP)

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

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

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

Total Coliform Rule (TCR)

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

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

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

Plant Influent Flow

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

Excess Flow

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

Water Main Leaks

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

Water Valve Leaks

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

Dynamic Color Coding Legend

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

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

Non Revenue Water

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

Sewer Main Backups

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

Sewer Lateral Backups

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

Combined Sewer Overflow (CSO) Events

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

Open Positions

- Bar graph shows open(dark blue) vs. filled(light blue) positions per month for current year

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

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

Employee Lost Time Incidence Rate

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.7; indicated by grey dotted line. Light blue represents the previous fiscal year and dark blue the current fiscal year.
- Line graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous year.

Contractor Lost Time Incidence Rate

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

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, □)

Presented and Adopted: February 3, 2011
SUBJECT: Approval to Execute Contract No. 100020, Ulliman Schutte Construction, LLC

#11-14
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 3, 2011 upon consideration of a joint use matter decided by a vote of ___() in favor and ___() oppose to approve Contract No. 100020, Ulliman Schutte Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 100020, Ulliman Schutte Construction, LLC. The purpose of the contract is to build a pump station, buildings and process facilities for Enhanced Nitrogen Removal facilities. The contract amount is \$97,118,000.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: February 3, 2011
SUBJECT: Approval to Execute Contract No. DCFA #429-WSA,
ARCADIS

#11-15
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 3, 2011 upon consideration of a joint use matter decided by a vote of ___() in favor and ___() oppose to approve Contract No. DCFA #429-WSA, ARCADIS.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #429-WSA, ARCADIS. The purpose of the contract is to provide construction management and related engineering services for the Biosolids Program at the Blue Plains Wastewater Treatment Plant. The contract amount is \$28,385,874.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: February 3, 2011
SUBJECT: Approval to Execute Option Year Two of Contract No.
WAS-06-022-AA-MB, CIGNA HealthCare

#11-16
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 3, 2011 upon consideration of a joint use matter decided by a vote of ___() in favor and ___() oppose to approve Option Year Two of Contract No. WAS-06-022-AA-MB, CIGNA HealthCare.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two of Contract No. WAS-06-022-AA-MB, CIGNA HealthCare. The purpose of the option is to provided DC Water employees with company-paid life insurance of one times base salary. The option amount is \$453,540.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: February 3, 2011
SUBJECT: Approval to Execute Option Year Three of Contract No.
WAS-06-023-AA-MB, CIGNA HealthCare

#11-17
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 3, 2011 upon consideration of a joint use matter decided by a vote of ___() in favor and ___() oppose to approve Option Year Three of Contract No. WAS-06-023-AA-MB, CIGNA HealthCare.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. WAS-06-023-AA-MB, CIGNA HealthCare. The purpose of the contract is to provide DC Water employees with the option to purchase Short-Term and Long-Term Disability coverage. The option amount is \$341,423.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: February 3, 2011
Subject: Approval of Fiscal Year 2010-2019 Capital Improvement Program

#11-18
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, (the "Authority") at its meeting on February 3, 2011, upon consideration of a joint-use matter, decided by a vote of ____() in favor and ____() opposed, to take the following action with respect to the Fiscal Year 2010–2019 Capital Improvement Program.

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

WHEREAS, on October 7, 2010, the General Manager presented to the Board a lifetime budget totaling \$7,940,426,000; and a related FY 2010-2019 Capital Improvement Program disbursement budget, which totaled \$3,813,740,000; and

WHEREAS, during the months of October and November 2010 the various committees of the Board, including, Environmental Quality and Sewerage Services, Water Quality and Water Services, Finance and Budget and DC Retail Water and Sewer Rates Committees, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on December 16, 2010, the Environmental Quality and Operations, and the DC Retail Water and Sewer Rates Committees met and recommended that the Board adopt a proposed lifetime budget totaling \$7,940,426,000 and a related FY 2010–2019 Capital Improvement Program disbursement budget of \$3,813,740,000; and

WHEREAS, on December 17, 2010, the Finance and Budget Committee met and recommended that the Board adopt a proposed lifetime budget totaling \$7,940,426,000 and a FY 2010–2019 Capital Improvement Program disbursement budget of \$3,813,740,000.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2010–2019 Capital Improvement Program (CIP) with a lifetime budget totaling \$7,940,426,000 (Attachment A) and disbursements budget of \$3,813,740,000 (Attachment B), and as further detailed in the General Manager's Proposed Fiscal Year 2012 Operating and Capital Budgets dated October 28, 2010 and accompanying materials.
2. The adoption of this CIP shall not be construed as an endorsement of the projected cost allocations between the District of Columbia and any suburban jurisdiction or entity found in the Fiscal Year FY 2012 Operating and Capital Budgets and accompanying materials with respect to any project described therein. Any such cost allocation shall be subject to further revision based on good engineering practice, sound accounting methods, IMA and other legal compliance or any future determinations that the Board of Directors may make.

This resolution is effective immediately.

Secretary to the Board of Directors

Attachment A

FY 2010 - FY 2019 Capital Improvement Plan

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

| | FY 2011 Approved | FY 2011 Revised / FY 2012 Proposed | Variance |
|--|---------------------|---|-----------------|
| <u>Wastewater Treatment</u> | | | |
| Liquid Processing Projects | 588,541 | 612,749 | 24,208 |
| Plantwide Projects | 339,356 | 337,671 | (1,685) |
| Solids Processing Projects | 689,665 | 688,806 | (859) |
| ENRF (Formerly BTN) | 977,333 | 1,024,855 | 47,522 |
| Sub-total | 2,594,895 | 2,664,081 | 69,186 |
| <u>Sanitary Sewer</u> | | | |
| Sanitary Collection Sewers | 115,686 | 133,906 | 18,220 |
| Sanitary On-Going Projects | 129,867 | 142,067 | 12,200 |
| Sanitary Pumping Facilities | 25,898 | 25,898 | 0 |
| Sanitary Sewer Projects Program Management | 100,235 | 103,150 | 2,915 |
| Sanitary Interceptor/Trunk Force Sewers | 328,671 | 430,144 | 101,473 |
| Sub-total | 700,357 | 835,165 | 134,808 |
| <u>Combined Sewer Overflow</u> | | | |
| CSO Program Management | 55,239 | 55,239 | - |
| Combined Sewer Projects: Nine Minimum Controls | 215,387 | 215,387 | 0 |
| Combined Sewer Projects: Others | 263,276 | 240,013 | (23,263) |
| Clean Rivers Project | | | |
| Anacostia Tunnel | 1,673,325 | 1,672,282 | (1,043) |
| Potomac Tunnel | 418,700 | 418,700 | - |
| Rock Creek Tunnel | 70,342 | 70,342 | - |
| Sub-total | 2,696,269 | 2,671,963 | (24,306) |
| <u>Stormwater</u> | | | |
| Stormwater Extensions/Local Drainage | 15,799 | 17,999 | 2,200 |
| Stormwater On-Going Program | 8,863 | 9,658 | 795 |
| Stormwater Pumping Facilities | 0 | 0 | 0 |
| DDOT Stormwater Program | 4,846 | 5,066 | 220 |
| Stormwater Projects Program Management | 10,630 | 10,630 | - |
| Stormwater Trunk/Force Sewers | 18,605 | 18,605 | 0 |
| Sub-total | 58,743 | 61,958 | 3,215 |
| <u>Water</u> | | | |
| Water Distribution Systems | 618,425 | 666,933 | 48,508 |
| Water Lead Program | 200,000 | 191,000 | (9,000) |
| Water On-Going Projects | 68,432 | 112,121 | 43,689 |
| Water Pumping Facilities | 133,342 | 150,149 | 16,807 |
| DDOT Water Projects | 39,222 | 95,892 | 56,670 |
| Water Storage Facilities | 49,562 | 71,862 | 22,300 |
| Water Projects Program Management | 51,107 | 51,107 | 0 |
| Meter Replacement /AMR Installation | 42,833 | 61,151 | 18,318 |
| Sub-total | 1,202,923 | 1,400,215 | 197,292 |
| Washington Aqueduct | 186,634 | 203,138 | 16,504 |
| Capital Equipment | 98,546 | 103,906 | 5,360 |
| Total DC Water CIP Lifetime (see notes) | 7,538,367 | 7,940,426 | 402,059 |

Notes:

1 Lifetime budgets shown here represent total budgets for projects that are active during the current 10-year CIP. Lifetime budgets include historical spending prior to the beginning of the current 10-year plan, spending during the 10-year plan, and projected spending beyond the current 10-year plan. Projects completed in FY 2010 will be dropped from the CIP next year.

2 These budgets do not include inhouse labor costs, estimated to be in the \$8 to \$9 million range, annually, and are applicable to, primarily, the time charged to capital projects by employees in the Departments of Engineering and Technical Services, Sewer Services, and Water Services.

FY 2010 - FY 2019 PROJECTED CAPITAL IMPROVEMENT PLAN (CIP) - DISBURSEMENTS BASIS (\$ in 000's)

| | FY 2010 Actuals | FY 2011 Revised | FY 2012 Proposed | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | Total FY '10 -'19 |
|---|--------------------|--------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| Wastewater Treatment | | | | | | | | | | | |
| Liquid Processing Projects | \$24,815 | \$12,660 | \$37,447 | \$21,959 | \$10,032 | \$3,720 | \$5,429 | \$11,932 | \$6,398 | \$5,356 | \$139,748 |
| Plantwide Projects | 16,540 | 22,894 | 19,478 | 11,882 | 6,458 | 4,277 | 3,901 | 3,823 | 12,924 | 6,982 | 109,160 |
| Solids Processing Projects | 35,420 | 45,849 | 152,259 | 142,664 | 40,388 | 6,917 | 7,224 | 1,271 | 67 | - | 432,061 |
| ENRF (Formerly BTN) | 25,789 | 51,725 | 126,810 | 149,198 | 117,548 | 75,240 | 112,442 | 55,534 | 5,425 | 1,923 | 721,635 |
| Sub-total | 102,564 | 133,129 | 335,993 | 325,703 | 174,426 | 90,154 | 128,997 | 72,561 | 24,815 | 14,260 | \$1,402,604 |
| Sanitary Sewer | | | | | | | | | | | |
| Sanitary Collection Sewers | 367 | 1,293 | 3,534 | 6,949 | 12,070 | 5,249 | 4,144 | 6,027 | 7,675 | 8,205 | 55,513 |
| Sanitary On-Going Projects | 9,521 | 10,281 | 12,902 | 8,257 | 7,657 | 7,809 | 8,037 | 8,267 | 8,530 | 9,007 | 90,267 |
| Sanitary Pumping Facilities | 1,143 | 681 | 557 | 684 | 711 | 39 | - | - | - | - | 3,814 |
| Sanitary Sewer Projects Program Management | 4,020 | 7,328 | 4,326 | 3,927 | 6,657 | 6,774 | 6,347 | 6,594 | 6,556 | 6,491 | 59,018 |
| Sanitary Interceptor/Trunk Force Sewers | 4,343 | 14,413 | 23,081 | 20,520 | 33,721 | 30,515 | 22,386 | 22,086 | 34,427 | 22,551 | 228,043 |
| Sub-total | 19,394 | 33,996 | 44,400 | 40,336 | 60,815 | 50,386 | 40,914 | 42,974 | 57,188 | 46,253 | 436,655 |
| Combined Sewer Overflow / Long Term Control Plan | | | | | | | | | | | |
| CSO Program Management | 1,272 | 3,481 | 1,883 | 1,905 | 2,307 | 1,851 | 1,562 | 1,680 | 2,294 | 2,783 | 21,018 |
| Combined Sewer Projects:Nine Minimum Controls | 33,452 | 24,847 | 5,775 | 2,165 | 291 | 7 | - | - | - | - | 66,537 |
| Combined Sewer Projects:Others | 938 | 3,822 | 4,915 | 10,067 | 14,838 | 13,661 | 19,782 | 15,448 | 13,405 | 10,467 | 107,343 |
| Clean Rivers Project | | | | | | | | | | | |
| Anacostia Tunnel | 18,930 | 42,752 | 79,578 | 116,188 | 100,501 | 127,541 | 148,478 | 143,022 | 56,722 | 56,071 | 889,783 |
| Potomac Tunnel | 367 | 753 | 547 | - | - | 1,618 | 5,385 | 5,500 | 9,207 | 12,711 | 36,088 |
| Rock Creek Tunnel | 154 | 430 | 316 | - | - | - | 243 | 811 | 838 | 1,486 | 4,278 |
| Sub-total | 55,113 | 76,085 | 93,014 | 130,325 | 117,937 | 144,678 | 175,450 | 166,462 | 82,465 | 83,518 | 1,125,047 |
| Stormwater | | | | | | | | | | | |
| Stormwater Local Drainage | - | 11 | 92 | 47 | 42 | 63 | 82 | 92 | 95 | 98 | 623 |
| Stormwater On-Going Program | 1,193 | 841 | 686 | 485 | 493 | 494 | 575 | 523 | 542 | 562 | 6,393 |
| Stormwater Pumping Facilities | - | - | - | - | - | - | - | - | - | - | - |
| DDOT Stormwater Program | - | 35 | 8 | 9 | 9 | 19 | 17 | 9 | 10 | 10 | 127 |
| Stormwater Research and Program Management | 380 | 1,157 | 266 | 201 | 243 | 195 | 165 | 172 | 234 | 285 | 3,298 |
| Stormwater Trunk/Force Sewers | 1,341 | 1,446 | 2,974 | 3,603 | 1,987 | 47 | - | - | - | - | 11,398 |
| Sub-total | 2,914 | 3,491 | 4,027 | 4,345 | 2,775 | 818 | 839 | 796 | 880 | 955 | 21,839 |
| Water | | | | | | | | | | | |
| Water Distribution Systems | 29,606 | 26,301 | 24,172 | 31,041 | 32,964 | 31,058 | 33,214 | 40,712 | 38,244 | 36,896 | 324,207 |
| Water On-Going Projects | 8,608 | 6,260 | 8,273 | 6,238 | 6,398 | 6,530 | 6,760 | 8,437 | 7,269 | 7,668 | 72,441 |
| Water Pumping Facilities | 1,742 | 3,270 | 8,748 | 7,141 | 2,936 | 752 | 1,188 | 3,401 | 7,464 | - | 36,642 |
| DDOT Water Projects | 10,402 | 2,298 | 2,412 | 7,110 | 6,033 | 4,871 | 5,149 | 5,388 | 6,006 | 6,090 | 55,758 |
| Water Storage Facilities | 1,119 | 2,577 | 1,250 | 4,815 | 10,534 | 9,224 | 1,838 | 2,680 | 4,335 | 3,359 | 41,731 |
| Water Projects Program Management | 3,981 | 3,963 | 3,779 | 3,170 | 3,187 | 3,890 | 3,854 | 3,856 | 3,905 | 3,930 | 37,516 |
| Water Lead Program | 4,540 | 3,323 | 2,320 | 2,593 | 2,902 | 2,926 | 2,906 | 2,816 | 3,006 | 21 | 27,354 |
| Meter Replacement /AMR Installation | 1,063 | 2,619 | 2,802 | 1,366 | 1,395 | 1,419 | 1,443 | 1,676 | 1,708 | 1,732 | 17,223 |
| Sub-total | 61,061 | 50,610 | 53,755 | 63,474 | 66,349 | 60,671 | 56,351 | 68,967 | 71,938 | 59,697 | 612,873 |
| Washington Aqueduct | 12,110 | 10,449 | 10,470 | 10,654 | 10,801 | 11,076 | 11,340 | 11,649 | 11,244 | 11,023 | 110,816 |
| Capital Equipment | 9,001 | 17,462 | 14,160 | 14,949 | 9,019 | 8,199 | 7,640 | 7,568 | 8,509 | 7,399 | 103,906 |
| Total FY 2012 DC Water CIP | \$262,157 | \$325,222 | \$555,820 | \$589,786 | \$442,122 | \$365,982 | \$421,531 | \$370,976 | \$257,039 | \$223,104 | \$3,813,740 |

Presented and Adopted: February 3, 2011
Subject: Approval of Fiscal Year 2012 Capital Authority Request

#11-19
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, (the "Authority") at its meeting on February 3, 2011, upon consideration of a joint-use matter, decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2012 Capital Authority request which is to be submitted to the United States Congress.

WHEREAS, on October 7, 2010, the General Manager presented to the Board the FY 2012 Proposed Capital Authority request that totaled \$752,480,000; and

WHEREAS, during the months of October and November 2010 the various committees of the Board, including, Environmental Quality and Sewerage Services, Water Quality and Water Services, Finance and Budget and DC Retail Water and Sewer Rates Committees, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on December 16, 2010, the Environmental Quality and Operations, and the DC Retail Water and Sewer Rates Committees met and recommended that the Board adopt the Proposed FY 2012 Capital Authority Request of \$752,480,000; and

WHEREAS, on December 17, 2010, the Finance and Budget Committee met and recommended that the Board adopt the Proposed Capital Authority request of \$752,480,000; and

WHEREAS, the request is to be submitted to the United States Congress.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2012 Capital Authority request totaling \$752,480,000 which is to be submitted to the United States Congress as shown in Attachment A to this resolution.

This resolution is effective immediately.

Secretary to the Board of Directors

Attachment A

**Fiscal Year 2012 Capital Authority Request
(\$ 000's)**

| <u>Service Areas</u> | <u>Fiscal Year 2012 Capital Authority Request</u> |
|--------------------------------------|---|
| Blue Plains Wastewater Treatment | \$72,035 |
| Sanitary Sewer System | 56,798 |
| Combined Sewer Overflow | 513,853 |
| Stormwater | 1,343 |
| Water System | 78,279 |
| Washington Aqueduct (DC Water share) | 17,672 |
| Capital Equipment | <u>12,500</u> |
| Total | <u>\$752,480</u> |

Presented and Adopted: February 3, 2011

SUBJECT: Approval of Fiscal Year 2010-2019 Ten Year Financial Plan

**#11-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at its meeting held on February 3, 2011 upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2010 – 2019 Financial Plan.

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

WHEREAS, the Board in Resolutions 09-86 and 11-10 has adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of the Authority; and

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

WHEREAS, consistent with the Board policies, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2012 operating and capital budgets; and

WHEREAS, at the December meetings of the Retail Water and Sewer Rates and Finance and Budget Committees an updated proposed ten year financial plan was reviewed and discussed; and

WHEREAS, on December 15, 2010 and December 17, 2010, the Retail Water and Sewer Rates and Finance and Budget Committees met and recommended that the Board adopt a ten-year financial plan as recommended by the General Manager; and

WHEREAS, subsequent to those December 15, 2010 and December 17, 2010 committee meetings, additional information was provided to the Board with regard both to retail rates during the period covered by the ten-year financial plan and to the allocation of capital project costs during that period between the District of Columbia and suburban jurisdictions and entities; and

WHEREAS, on January 6, 2011 the Board approved resolution 11-11, but deferred action on the ten-year financial plan, referring the plan back to committees for consideration of additional information; and

WHEREAS, the revised ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2012 Operating and Capital Budgets; and

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

WHEREAS, on January 25, 2011 and February 1, 2011, the Retail Water and Sewer Rates and Finance and Budget Committees met and recommended that the Board adopt a ten-year financial plan.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby accepts and approves the proposed Fiscal Year 2010-2019 Financial Plan that is supported by the attached Schedules A, B, C and D in the proposed Fiscal Year 2012 Operating and Capital Budgets.
2. Acceptance and approval of this Financial Plan at this time shall not be construed as an endorsement of the projected cost allocations between the District of Columbia and any suburban jurisdiction or entity found in the Fiscal Year FY 2012 Operating and Capital Budgets and accompanying materials with respect to any project described therein. Any such cost allocation shall be subject to further revision based on good engineering practice, sound accounting methods, IMA and other legal compliance or any future determinations that the Board of Directors may make.

This resolution is effective immediately.

Secretary to the Board of Directors

Schedule A

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY
 FY 2010 - 2019 FINANCIAL PLAN - Summary
 (In 000's)

| OPERATING | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Retail* | 262,233 | 295,356 | 321,480 | 350,997 | 387,880 | 417,802 | 447,853 | 478,109 | 501,297 | 525,884 |
| Wholesale* | 67,471 | 68,825 | 71,439 | 72,868 | 67,805 | 62,234 | 64,005 | 65,777 | 67,647 | 69,569 |
| Other | <u>43,834</u> | <u>34,927</u> | <u>19,302</u> | <u>21,633</u> | <u>26,836</u> | <u>29,111</u> | <u>32,612</u> | <u>32,690</u> | <u>32,980</u> | <u>33,999</u> |
| Operating Receipts (1) | \$ 373,538 | \$ 399,108 | \$ 412,221 | \$ 445,498 | \$ 482,521 | \$ 509,147 | \$ 544,470 | \$ 576,576 | \$ 601,924 | \$ 629,452 |
| Operating Expenses | \$(258,386) | \$(302,421) | \$(300,969) | \$(311,193) | \$(307,944) | \$(303,101) | \$(312,534) | \$(322,083) | \$(331,678) | \$(341,310) |
| Debt Service | \$(83,514) | \$(96,334) | \$(103,667) | \$(124,787) | \$(164,084) | \$(189,825) | \$(215,385) | \$(236,342) | \$(249,632) | \$(261,502) |
| Net Revenues After Debt Service | \$ 31,638 | \$ 353 | \$ 7,585 | \$ 9,518 | \$ 10,493 | \$ 16,221 | \$ 16,551 | \$ 18,151 | \$ 20,614 | \$ 26,640 |
| Operating Reserve-Beg Balance | 131,298 | 131,996 | 125,500 | 125,500 | 125,500 | 125,500 | 125,500 | 125,500 | 125,500 | 125,500 |
| Other Misc (Disbursements)/Receipts | | | | | | | | | | |
| Wholesale/Federal True Up | (87) | (3,384) | (1,795) | (4,599) | - | - | - | - | - | - |
| Transfers To RSF | (16,100) | (1,000) | (2,000) | | | | | | | |
| Pay-Go Financing | <u>(14,752)</u> | <u>(2,465)</u> | <u>(3,791)</u> | <u>(4,920)</u> | <u>(10,494)</u> | <u>(16,222)</u> | <u>(16,552)</u> | <u>(18,151)</u> | <u>(20,615)</u> | <u>(26,639)</u> |
| Operating Reserve - Ending Balance | \$ 131,996 | \$ 125,500 | \$ 125,500 | \$ 125,500 | \$ 125,500 | \$ 125,500 | \$ 125,500 | \$ 125,500 | \$ 125,500 | \$ 125,500 |
| Rate Stabilization Fund Balance RSF (2) | \$ 16,700 | \$ 8,200 | \$ 10,200 | \$ 7,200 | \$ 5,200 | \$ 5,200 | \$ 3,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Senior Debt Service Coverage | 275% | 296% | 279% | 237% | 196% | 186% | 172% | 162% | 157% | 155% |
| Combined Debt Service Coverage | 136% | 128% | 126% | 124% | 122% | 123% | 121% | 120% | 121% | 122% |
| Operating Receipts % Increase/Decrease* | | | | | | | | | | |
| Retail | 10.8% | 12.6% | 8.8% | 9.2% | 10.5% | 7.7% | 7.2% | 6.8% | 4.8% | 4.9% |
| Wholesale | 2.7% | 2.0% | 3.8% | 2.0% | -6.9% | -8.2% | 2.8% | 2.8% | 2.8% | 2.8% |
| (1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund (2) FY 2010 Rate Stabilization Fund utilization brought the total fund balance to \$16.7 million | | | | | | | | | | |

162nd Meeting of the DC Water Board of Directors - Consent Items (Joint-Use)

Schedule B

District of Columbia Water and Sewer Authority
FY 2010 - 2019 Capital Improvement Plan

| Description | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| BEGINNING BALANCE | \$ 138,584,073 | \$ 7,432,539 | \$ 127,658,488 | \$ 215,156 | \$ 509,332 | \$ 3,487,636 | \$ 3,354,528 | \$ 3,748,066 | \$ 3,543,323 | \$ 2,348,838 | \$ 290,881,977 |
| SOURCES OF FUNDS: | | | | | | | | | | | |
| Proceeds from Rev. Bonds | \$ - | \$ 211,722,441 | \$ 121,989,081 | \$ 326,494,772 | \$ 279,010,868 | \$ 268,362,250 | \$ 299,845,244 | \$ 283,465,826 | \$ 187,907,030 | \$ 168,835,886 | \$ 2,147,633,398 |
| Proceeds from Treasury Notes/Digesters Financing Option | - | 75,000,000 | - | - | - | - | - | - | - | - | \$ 75,000,000 |
| Capital Equipment Financing (for 5 yrs @ 3.25%) | - | 8,000,000 | 13,969,600 | 11,328,000 | 11,959,200 | - | - | - | - | - | \$ 45,256,800 |
| Transfer from Operations | 14,752,394 | 2,465,452 | 3,790,831 | 4,920,073 | 10,493,600 | 16,222,114 | 16,552,228 | 18,151,108 | 20,614,648 | 26,639,276 | \$ 134,601,723 |
| EPA Grants /DC Reimbursement | 17,060,978 | 33,445,000 | 34,355,000 | 23,335,000 | 22,900,000 | 11,000,000 | 11,052,000 | 12,570,000 | 22,805,000 | 11,000,000 | \$ 199,522,978 |
| CSO Grants | 16,211,388 | 25,108,000 | 37,405,000 | 18,762,000 | - | - | - | - | - | - | \$ 97,486,388 |
| Wholesale Customer Capital Contributions | 82,930,786 | 89,421,000 | 216,651,000 | 204,731,000 | 117,249,000 | 66,910,000 | 90,727,000 | 53,041,000 | 22,170,000 | 14,281,000 | \$ 958,111,786 |
| Interest Income | 49,920 | 286,056 | 215,156 | 509,332 | 3,487,636 | 3,354,528 | 3,748,066 | 3,543,323 | 2,348,838 | 2,110,449 | \$ 19,653,304 |
| Total Sources | \$ 131,005,466 | \$ 445,447,949 | \$ 428,375,668 | \$ 590,080,177 | \$ 445,100,304 | \$ 365,848,892 | \$ 421,924,538 | \$ 370,771,257 | \$ 255,845,516 | \$ 222,866,611 | \$ 3,677,266,377 |
| USES OF FUNDS: | | | | | | | | | | | |
| Water Projects | \$ 59,998,000 | \$ 47,991,000 | \$ 50,953,000 | \$ 62,108,000 | \$ 64,954,000 | \$ 59,252,000 | \$ 54,908,000 | \$ 67,291,000 | \$ 70,230,000 | \$ 57,965,000 | \$ 595,650,000 |
| Blue Plains Projects | 102,564,000 | 133,129,000 | 335,993,000 | 325,703,000 | 174,426,000 | 90,154,000 | 128,997,000 | 72,561,000 | 24,815,000 | 14,260,000 | \$ 1,402,602,000 |
| Sanitary Sewer Projects | 19,394,000 | 33,996,000 | 44,400,000 | 40,336,000 | 60,815,000 | 50,386,000 | 40,914,000 | 42,974,000 | 57,188,000 | 46,253,000 | \$ 436,656,000 |
| Combined Sewer | 35,662,000 | 32,150,000 | 12,573,000 | 14,137,000 | 17,436,000 | 15,519,000 | 21,344,000 | 17,128,000 | 15,699,000 | 13,250,000 | \$ 194,898,000 |
| Combined Sewer LTCP | 19,451,000 | 43,935,000 | 80,441,000 | 116,188,000 | 100,501,000 | 129,159,000 | 154,106,000 | 149,333,000 | 66,767,000 | 70,268,000 | \$ 930,149,000 |
| Stormwater Projects | 2,914,000 | 3,491,000 | 4,027,000 | 4,345,000 | 2,775,000 | 818,000 | 839,000 | 796,000 | 880,000 | 955,000 | \$ 21,840,000 |
| Washington Aqueduct Division Projects | 12,110,000 | 10,449,000 | 10,470,000 | 10,654,000 | 10,801,000 | 11,076,000 | 11,340,000 | 11,649,000 | 11,244,000 | 11,023,000 | \$ 110,816,000 |
| Capital Equipment | 9,001,000 | 17,462,000 | 14,160,000 | 14,949,000 | 9,019,000 | 8,199,000 | 7,640,000 | 7,568,000 | 8,509,000 | 7,399,000 | \$ 103,906,000 |
| Meter Replacement / AMR | 1,063,000 | 2,619,000 | 2,802,000 | 1,366,000 | 1,395,000 | 1,419,000 | 1,443,000 | 1,676,000 | 1,708,000 | 1,732,000 | \$ 17,223,000 |
| Reimbursement for Prior Capital Expend. | - | - | - | - | - | - | - | - | - | - | \$ - |
| Total Uses | \$ 262,157,000 | \$ 325,222,000 | \$ 555,819,000 | \$ 589,786,000 | \$ 442,122,000 | \$ 365,982,000 | \$ 421,531,000 | \$ 370,976,000 | \$ 257,040,000 | \$ 223,105,000 | \$ 3,813,740,000 |
| SOURCES MINUS USES | (131,151,534) | 120,225,949 | (127,443,332) | 294,177 | 2,978,304 | (133,108) | 393,538 | (204,743) | (1,194,484) | (238,389) | (136,473,623) |
| ENDING BALANCE | \$ 7,432,539 | \$ 127,658,488 | \$ 215,156 | \$ 509,332 | \$ 3,487,636 | \$ 3,354,528 | \$ 3,748,066 | \$ 3,543,323 | \$ 2,348,838 | \$ 2,110,449 | \$ 154,408,353 |

**District of Columbia Water & Sewer Authority
FY 2010 - 2019 Projected Average Residential Monthly Bill**

| | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| | Units | | | | | | | | | | |
| DC Water Retail Rates (1) | Ccf | \$ 40.94 | \$ 46.09 | \$ 48.84 | \$ 51.99 | \$ 55.10 | \$ 58.41 | \$ 62.18 | \$ 65.89 | \$ 68.87 | \$ 71.24 |
| DC Water IAC | ERU | 2.20 | 3.45 | 6.87 | 10.06 | 15.02 | 18.27 | 21.03 | 23.99 | 26.36 | 29.76 |
| DC Water Customer Metering Fee | | 2.01 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 |
| Subtotal DC Water Rates & Charges | | \$ 45.15 | \$ 53.40 | \$ 59.57 | \$ 65.91 | \$ 73.98 | \$ 80.54 | \$ 87.07 | \$ 93.74 | \$ 99.09 | \$ 104.86 |
| Percent Increase in DC Water Portion of Bill | | 10.7% | 18.3% | 11.6% | 10.6% | 12.2% | 8.9% | 8.1% | 7.7% | 5.7% | 5.8% |
| District of Columbia PILOT (1) | Ccf | \$ 2.87 | \$ 3.28 | \$ 3.55 | \$ 3.74 | \$ 3.95 | \$ 4.22 | \$ 4.47 | \$ 4.75 | \$ 4.95 | \$ 5.15 |
| District of Columbia Right of Way Fee (1) | Ccf | 0.94 | 0.94 | 1.00 | 1.08 | 1.14 | 1.20 | 1.27 | 1.34 | 1.41 | 1.47 |
| District of Columbia PILOT/ROW Fee | | 3.81 | 4.22 | 4.55 | 4.82 | 5.09 | 5.42 | 5.75 | 6.09 | 6.36 | 6.62 |
| District of Columbia Stormwater Fee (2) | ERU | 2.57 | 2.67 | 2.67 | 2.67 | 2.67 | 2.67 | 2.67 | 2.67 | 2.67 | 2.67 |
| Subtotal District of Columbia Charges | | \$ 6.38 | \$ 6.89 | \$ 7.22 | \$ 7.49 | \$ 7.76 | \$ 8.09 | \$ 8.42 | \$ 8.76 | \$ 9.03 | \$ 9.29 |
| Total Amount Appearing on DC Water Bill | | \$ 51.53 | \$ 60.29 | \$ 66.79 | \$ 73.40 | \$ 81.73 | \$ 88.63 | \$ 95.49 | \$ 102.50 | \$ 108.13 | \$ 114.15 |
| Increase / Decrease Over Prior Year | | \$ 4.70 | \$ 8.76 | \$ 6.50 | \$ 6.61 | \$ 8.33 | \$ 6.90 | \$ 6.86 | \$ 7.01 | \$ 5.63 | \$ 6.02 |
| Percent Increase in Total Bill | | 10.0% | 17.0% | 10.8% | 9.9% | 11.3% | 8.4% | 7.7% | 7.3% | 5.5% | 5.6% |

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

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

District of Columbia Water & Sewer Authority
FY 2010 - 2019 Projected Retail Rates and Fee Changes

| | Units | Actual FY 2010 | Actual FY 2011 | Proposed FY 2012 |
|---------------------------------------|-------|-------------------|-------------------|---------------------|
| DC Water Retail Rates Water | Ccf | \$ 2.51 | \$ 3.10 | \$ 3.29 |
| DC Water Retail Rates Sewer | Ccf | <u>\$ 3.61</u> | <u>\$ 3.79</u> | <u>\$ 4.01</u> |
| DC Water IAC | ERU | \$ 2.20 | \$ 3.45 | \$ 6.87 |
| DC Water Customer Metering Fee | | \$ 2.01 | \$ 3.86 | \$ 3.86 |
| District of Columbia PILOT | Ccf | \$ 0.43 | \$ 0.49 | \$ 0.53 |
| District of Columbia Right of Way Fee | Ccf | <u>\$ 0.14</u> | <u>\$ 0.14</u> | <u>\$ 0.15</u> |
| District of Columbia Stormwater Fee | ERU | \$ 2.57 | \$ 2.67 | \$ 2.67 |

Presented and Adopted: February 3, 2011
Subject: Approval of Fiscal Year 2012 Proposed Operating Budget

#11-21
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, (the "Authority") at its meeting on February 3, 2011, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the Fiscal Year 2012 Proposed Operating Budget:

WHEREAS, on October 7 2010, the General Manager presented the FY 2012 Proposed Operating Budget to the Board that totaled \$430,044,000; and

WHEREAS, during the months of October and November 2010 the various committees of the Board, including, Environmental Quality and Sewerage Services, Water Quality and Water Services, Finance and Budget and DC Retail Water and Sewer Rates Committees, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, in December 2010 and January 2011, based on feedback from the committee and Board meeting held on January 6, 2011 and updated financial assumptions, the General Manager further revised the Fiscal Year 2012 Operating Budget downwards to \$422,357,000; and

WHEREAS, on February 1, 2011, the Finance and Budget Committee recommended that the Board adopt a FY 2012 budget that totals \$422,357,000.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2012 Proposed Operating Budget totaling \$422,357,000 as further detailed in materials presented by the General Manager.

This resolution is effective immediately.

Secretary to the Board of Directors

PRESENTED AND ADOPTED: February 3, 2011
SUBJECT: Approval of 'Pay-As-You-Go' Capital Financing Policy

#11-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water" or the "Authority"), at its meeting on February 3, 2011, upon consideration of a joint-use matter, decided by a vote of _____ in favor and _____ opposed to take the following action with respect to the approval of the the 'Pay-As-You-Go' Capital Financing Policy ("paygo").

WHEREAS, The Enabling Legislation, Public Law 104-84, which established the District of Columbia Water and Sewer Authority permits the expenditure of excess revenues for capital projects in excess of budget; and

WHEREAS, the Board at its meeting on July 2, 2009, approved Resolution #09-86, revised Statement of Financial Policies which directs the use of operating cash in excess of any reserve requirements be used for capital financing (paygo) or repayment of higher cost debt; and

WHEREAS, the Board at its meeting on January 6, 2011, approved Resolution #11-10, Revised Rate Setting Policy, which directs that revenues in excess of costs will be utilized to mitigate future customer and rate impacts, including transferring some or all of such excess funds to the Rate Stabilization Fund; and

WHEREAS, taken together, these financial policies require the General Manager or his designees to continually monitor and evaluate DC Water's financial position and to utilize all available options for use of excess cash to mitigate customer impacts and annual rate increases. Such options may include paygo financing and/or rate stabilization fund transfer; and

WHEREAS, the Board in resolution #10-76 provided specific guidance on the critical decision making for funding and draw down of funds in the Rate Stabilization Fund; and

WHEREAS, the Board desires to provide more specific guidance on the critical decision making of financing and use of excess cash for the capital program (paygo).

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves the attached 'Pay-As-You-Go' (Paygo) Capital Financing Policy.

This resolution shall take effect immediately.

Linda Manley
Secretary to the Board of Directors

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY (DC WATER)

'Pay-As-You-Go' (Paygo) Capital Financing Policy

This Paygo Policy is to provide more specific guidance from the DC Water Board of Directors on the critical decision making of financing and use of excess cash for the capital program.

Definitions:

'Paygo' financing shall mean any cash financing of capital projects.

'Excess cash' shall mean any cash balance greater than needed or its use restricted to meet DC Water's financial policy requirements as contained in the Statement of Financial Policies, including:

- Operating reserve
- Renewal and replacement reserve
- District of Columbia General Obligation Debt Reserve
- Any other reserves that may be established by DC Water
- Rate Stabilization Fund deposits

Background:

DC Water's Statement of Financial Policies directs that operating cash in excess be used for capital financing or for repayment of higher cost debt and that whenever possible, the least costly capital financing be used for capital projects. The Revised Rate Stabilization Fund provides additional guidance and direction from the Board regarding the decision processes for adjusting the balance of that reserve fund.

Taken together, the Board policies and decisions require DC Water to continually monitor and evaluate its cash balances, reserve requirements, capital financing requirements and market interest rates, and determine the optimal financing package to produce the lowest practical cost of debt for financing its capital projects.

To implement these policies and determine the amount of paygo financing necessary:

1. The General Manager will include in the annual ten-year financial plan, developed as part of the annual operating budget process, a separate schedule showing projected annual cash balances and planned annual paygo financing of capital projects.
2. The planned annual paygo financing will be formally approved by the Board of Directors as part of its annual approval of the ten-year financial plan, operating and capital budgets.
3. At any time during the fiscal year, the General Manager may use paygo financing for capital projects, as approved by the Board of Directors.
4. During the fourth quarter of each fiscal year, the General Manager (or designee) will conduct an analysis of DC Water's financial performance.
5. The General Manager will report the results of this analysis and his recommendations, including updated projected annual cash balances and annual paygo financing, to the Finance and Budget Committee no later than its regularly scheduled meeting in July, for recommendation to the Board for action at its September meeting.

In October, the General Manager will report to the Board of Directors the actual usage of paygo financing for the just-completed fiscal year.

Presented and Adopted: February 3, 2011

SUBJECT: Proposed Water and Sewer Service Rates, Right-of- Way (ROW) and Payment in Lieu of Taxes (PILOT) Fee and Impervious Area Charge (IAC) for Fiscal Year 2012

**#11-23
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on February 3, 2011 in a non-joint use matter, decided by a vote of ___() in favor and ___() opposed, to take the following action with respect to the proposed retail rates for water and sewer service, impervious area charge (IAC), the right of way occupancy fee pass through charge (ROW) and payment in lieu of taxes (PILOT) fee.

WHEREAS, the Board has adopted a rate-setting policy that calls for implementation of retail rate increases in a gradual and predictable manner, avoiding large one-time rate increases; and

WHEREAS, the Board has adopted a ten year financial plan that requires annual rate increases to generate sufficient revenues to pay for DC Water's projected operating and capital expenses and will assure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, the Retail Water and Sewer Rates Committee met on December 15, 2010 and January 25, 2011 to consider the proposed rate and fee changes and cost drivers; and

WHEREAS, the Retail Water and Sewer Rates Committee recommended that the Board consider the proposed combined retail water and sewer rate increase of \$0.41 per Ccf (\$0.55 per 1,000 gallons) and publish for public comment; and

WHEREAS, the increase in water and sewer rates would result in a combined water and sewer rate that approximates \$7.30 per One Hundred Cubic Feet ("Ccf") or \$9.76 per 1,000 gallons of metered water and sewer use; and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment a monthly increase in the impervious area charge of \$3.42 per Equivalent Residential Unit (ERU) to recover the \$2.6 billion costs of the Combined Sewer Overflow Long-Term Control Plan (Clean Rivers Project); and

WHEREAS, the Retail Rates Committee recommended that the Board consider for public comment an increase in the ROW / PILOT fee of \$0.05 per Ccf (\$0.06 per 1,000 gallons) to recover the full cost of this District of Columbia government charges, pending final negotiations and approval of a memorandum of understanding from the District of Columbia government; and

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

WHEREAS, this Resolution supersedes Resolution 11-11 approved by the Board on January 6, 2011; and

WHEREAS, adoption of these rates and fee changes would increase the monthly bill of the average residential customer using 6.69 Ccf (or 5,004 gallons) approximately \$6.50 per month or \$78.00 per year; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2012 reflect an approximate \$26.1 million increase due to an increase of \$10.9 million from proposed retail water and sewer rate adjustments, an approximate \$1.5 million increase due to the proposed ROW / PILOT fee increase, and an approximate \$13.7 million increase due to the proposed IAC increase.

NOW THEREFORE BE IT RESOLVED THAT:

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

Water Service Rates

- a. An increase in the rate for retail metered water service from \$3.10 per One Hundred Cubic Feet ("Ccf"), (\$4.14 per 1,000 gallons) to:
 - Residential customers: \$3.29 per Ccf (\$4.40 per 1,000 gallons), effective October 1, 2011
 - Non – residential customers: \$3.29 per Ccf (\$4.40 per 1,000 gallons), effective October 1, 2011

Sewer Service Rates

- b. An increase in the rate for retail sanitary sewer service from \$3.79 per One Hundred Cubic Feet ("Ccf"), (\$5.07 per 1,000 gallons) to:

- Residential customers: \$4.01 per Ccf (\$5.36 per 1,000 gallons), effective October 1, 2011
 - Non – residential customers: \$4.01 per Ccf (\$5.36 per 1,000 gallons), effective October 1, 2011
- c. An increase in the annual Clean Rivers Impervious Area Charge (IAC) from \$41.40 to \$82.44 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
- Residential customers: \$6.87 for each ERU, effective October 1, 2011
 - Non – residential customers: \$6.87 for each ERU, effective October 1, 2011

Right of Way Occupancy Fee Pass Through Charge / PILOT Fee

- d. An increase of \$0.05 per Ccf (\$0.06 per 1,000 gallons) in the ROW / PILOT fee from \$0.63 per Ccf to \$0.68 per Ccf, effective October 1, 2011, divided as follows:
- i. An increase in the District of Columbia Right of Way fee from \$0.14 per Ccf or (\$0.19 per 1,000 gallons) to:
 - Residential customers: \$0.15 per Ccf or (\$0.20 per 1,000 gallons).
 - Non – residential customers: \$0.15 per Ccf or (\$0.20 per 1,000 gallons).
 - ii. An increase in the Payment in Lieu of Taxes to the Office of the Chief Financial Officer (OCFO) of the District of Columbia from \$0.49 per Ccf or (\$0.65 per 1,000 gallons) to:
 - Residential customers: \$0.53 per Ccf or (\$0.71 per 1,000 gallons)
 - Non – residential customers: \$0.53 per Ccf or (\$0.71 per 1,000 gallons)
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and shall provide notice of the proposed rate adjustments in the manner provided by 21 DCMR, Chapter 40 and the District of Columbia's Administrative Procedures.

This resolution is effective immediately and amends Resolution 11-11.

Secretary to the Board of Directors

Presented and Adopted: February 3, 2011

SUBJECT: Approval to Execute Supplemental Agreement No. 02 of Contract No. DCFA 427, JA Underground: Professional Corporation

**#11-24
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on February 3, 2011 upon consideration of a non-joint use matter decided by a vote of ___() in favor and ___() oppose to approve Supplemental Agreement No. 02 of Contract No. DCFA 427. JA Underground: Professional Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 02 of Contract No. DCFA 427, JA Underground: Professional Corporation. The purpose of the supplemental agreement is to provide engineering services required to repair water leaks from the Cross Town Water Main Tunnel. The supplemental agreement amount is \$712,933.

This resolution is effective immediately.

Secretary to the Board of Directors