

**Presented and Adopted: January 6, 2005**  
**Subject: Approval of Fiscal Year 2005 Revised Operating Budget**

**#05-00**  
**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 January 6, 2005, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2005 Revised Operating Budget:

**WHEREAS**, in October 2004 the General Manager presented a Revised Fiscal Year 2005 Operating Budget to the Board that totaled \$275,268,000, approximately \$21,000 less than the Fiscal Year 2005 Operating Budget approved by the Board in January 2004; and

**WHEREAS**, on December 15, 2004, the Finance and Budget Committee recommended that the Board adopt a Revised FY 2005 Operating Budget that totals \$278,098,000 which is \$2,809,000 higher than the Fiscal Year 2005 Operating Budget approved by the Board in January 2004 due to operating costs related to the Authority's lead service line program.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2005 Revised Operating Budget totaling \$278,098,000 as directed by the Finance and Budget Committee on December 15, 2004.

The Board directs management to pursue supplemental appropriations for lead-related expenditures.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 6, 2005**

**Subject: Approval of Fiscal Year 2006 Proposed Operating Budget**

**#05-01  
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 January 6, 2005, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2006 Proposed Operating Budget:

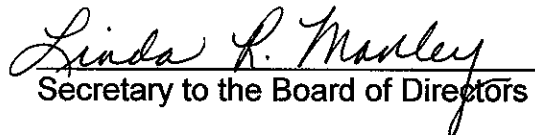
**WHEREAS**, in October 2004, the General Manager presented the FY 2006 Proposed Operating Budget to the Board that totaled \$290,297,000; and

**WHEREAS**, on December 15, 2004, the Finance and Budget Committee recommended that the Board adopt a FY 2006 budget that totals \$295,710,000 which is \$5,413,000 higher than the General Manager's Fiscal Year 2006 Operating Budget submission almost entirely due to operating costs related to the Authority's lead service line program. This amount includes the \$2,809,000 increase in the Revised FY 2005 Budget so that if the Authority enters into a memorandum of understanding with the District in FY 2005 to fund lead-related costs, the Authority will have adequate appropriations authority to repay this amount in FY 2006.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board of Directors hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2006 Proposed Operating Budget totaling \$295,710,000 as further detailed in the General Manager's Proposed FY 2006 Operating Budget dated October 21, 2004 and in materials presented to the Finance and Budget Committee on December 15, 2004.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 6, 2005**  
**Subject: Approval of Fiscal Year 2006 Capital Authority Request**

**#05-02**  
**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 January 6, 2005, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2006 Capital Authority request which is to be submitted to the United States Congress:

**WHEREAS**, in October 2004, the General Manager presented the FY 2006 Proposed Capital Authority request of \$529,994,000; and

**WHEREAS**, the request is to be submitted to the United States Congress; and

**WHEREAS**, on December 14 and 15, 2004, the Environmental Quality & Operations and Finance and Budget Committees respectively met and recommended that the Board adopt the Proposed Capital Authority request of \$529,994,000.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board of Directors hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2006 Capital Authority request totaling \$529,994,000 which is to be submitted to the United States Congress as shown in the Authority's proposed Fiscal Year 2006 Operating and Capital Budgets and as further set forth in Attachment A to this resolution.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 6, 2005**

**SUBJECT: Approval of Fiscal Year 2004-2013 Ten Year Financial Plan**

**#05-03  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting held on January 6, 2005 decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2004 – 2013 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 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**, these policies include:

1. A requirement that retail rates be based on annually updated and adopted ten-year forecasts of operating and capital budgets;
2. A requirement that retail rate increases be implemented in a gradual and predictable manner, avoiding large one-time rate increases;
3. Maintaining senior debt service coverage at 140 percent; and
4. Maintaining cash reserves equivalent to approximately six months' operating expenses.

**WHEREAS**, these financial policies have allowed the Authority to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

**WHEREAS**, consistent with Board policies, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2006 operating and capital budgets; and

**WHEREAS**, the Fiscal Year 2004 – 2013 Ten Year Financial Plan is expressed in numerical goals that are summarized in the attached Schedule A, which reflects the most recent recommendations of the Retail Rates and Finance and Budget Committees which met on December 15, 2004.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board of Directors hereby approves and adopts the proposed Fiscal Year 2004 – 2013 Financial Plan as expressed in the proposed Fiscal Year 2006 Operating and Capital Budgets, and as modified by the attached Schedule A. The Board further directs the General Manager to employ best efforts to achieve the results projected on the attached Schedule A.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY**  
**FY 2004 - 2013 FINANCIAL PLAN**  
*(In 000's)*

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Operating Receipts (1)	\$ 268,064	\$ 274,128	\$ 290,907	\$ 313,628	\$ 331,271	\$ 344,412	\$ 357,856	\$ 377,640	\$ 399,519	\$ 418,426
Operating Expenses	\$ 202,641	\$ 212,792	\$ 220,972	\$ 221,866	\$ 225,393	\$ 229,068	\$ 232,825	\$ 241,101	\$ 249,768	\$ 258,698
Debt Service	\$ 44,960	\$ 52,666	\$ 53,152	\$ 70,635	\$ 84,623	\$ 97,185	\$ 105,968	\$ 113,391	\$ 119,707	\$ 127,194
Net Revenues After Debt Service	\$ 20,462	\$ 8,670	\$ 16,783	\$ 21,127	\$ 21,254	\$ 18,160	\$ 19,062	\$ 23,148	\$ 30,044	\$ 32,534
Operating Reserve	\$ 106,405	\$ 97,680	\$ 101,434	\$ 101,495	\$ 102,784	\$ 104,111	\$ 105,442	\$ 108,951	\$ 112,606	\$ 116,383
Rate Stabilization Fund (2)	\$ 6,000	\$ -	\$ -	\$ (6,500)	\$ (8,700)	\$ (5,800)	\$ (2,000)	\$ (2,000)	\$ (2,500)	\$ -
Senior Debt Service Coverage	460%	443%	451%	286%	240%	207%	198%	195%	198%	194%
Proposed Rate Increases	2.5%	5.0%	6.0%	6.5%	7.5%	7.5%	7.5%	8.0%	8.0%	7.5%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund.

(2) FY2004 contribution of \$6 million to Rate Stabilization Fund brought the total fund balance to \$27.5 million

**Presented and Adopted: January 6, 2005**

**Subject: Approval of Fiscal Year 2004-2013 Capital Improvement Program**

**#05-04  
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 January 6, 2005, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2004 – 2013 Ten-Year 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.

**WHEREAS**, on December 14 and 15, 2004, the Environmental Quality & Operations Committee and Finance & Budget Committee respectively met and recommended that the Board adopt the FY 2004 – 2013 Capital Improvement Program.

**NOW THEREFORE, BE IT RESOLVED THAT:**

The Board of Directors hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2004 – 2013 Capital Improvement Plan with a lifetime budget totaling \$4,608,118,000 (Attachment A) and related disbursements budget of \$2,115,930,000 (Attachment B) and as further detailed in the General Manager's Proposed Fiscal Year 2006 Operating and Capital Budgets dated October 21, 2004 and accompanying materials.

This resolution is effective immediately.

  
Secretary to the Board of Directors

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

	FY 2005 Revised	FY 2006 Proposed	Variance
<u>Wastewater Treatment</u>			
Liquid Processing Projects	436,807	521,907	85,100
Plantwide Projects	288,577	276,217	(12,360)
Solids Processing Projects	513,156	515,197	2,041
<b>Sub-total</b>	<b>1,238,540</b>	<b>1,313,321</b>	<b>74,781</b>
<u>Sanitary Sewer</u>			
Sanitary Collection Sewers	15,231	12,024	(3,207)
Sanitary On-Going Projects	60,569	66,074	5,505
Sanitary Pumping Facilities	20,171	21,978	1,807
Sanitary Sewer Projects Program Management	14,930	14,930	-
Sanitary Interceptor/Trunk Force Sewers	82,100	79,826	(2,274)
<b>Sub-total</b>	<b>193,001</b>	<b>194,831</b>	<b>1,830</b>
<u>Combined Sewer Overflow</u>			
CSO Program Management	15,254	17,254	2,000
Combined Sewer Projects	150,176	149,034	(1,142)
Long-Term Control Plan- Total (see note 1)	2,457,000	1,898,432	(558,568)
Blue Plains		36,846	
Anacostia Tunnel		1,372,545	
Potomac Tunnel		418,700	
Rock Creek Tunnel		70,342	
<b>Sub-total</b>	<b>2,622,430</b>	<b>2,064,720</b>	<b>(557,710)</b>
<u>Stormwater</u>			
Stormwater Extensions/Local Drainage	6,599	2,270	(4,330)
Stormwater On-Going Program	6,718	6,241	(477)
Stormwater Pumping Facilities	24,550	3,108	(21,442)
DDOT Stormwater Program	28,507	14,647	(13,860)
Stormwater Projects Program Management	7,260	5,830	(1,430)
Stormwater Trunk/Force Sewers	21,081	13,580	(7,501)
<b>Sub-total</b>	<b>94,715</b>	<b>45,676</b>	<b>(49,039)</b>



## FY 2004 - FY 2013 Capital Improvement Plan

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

	FY 2005 Revised	FY 2006 Proposed	Variance
<b>Water</b>			
Water Distribution Systems	262,957	181,613	(81,344)
Water Lead Program	300,750	300,750	-
Water On-Going Projects	52,085	59,740	7,655
Water Pumping Facilities	83,053	85,488	2,435
DDOT Water Projects	40,256	31,772	(8,484)
Water Storage Facilities	36,663	14,140	(22,523)
Water Projects Program Management	25,044	24,480	(564)
Meter Replacement /AMR Installation	46,000	46,500	500
<b>Sub-total</b>	<b>846,808</b>	<b>744,483</b>	<b>(102,325)</b>
<b>Washington Aqueduct</b>	<b>204,570</b>	<b>154,498</b>	<b>(50,072)</b>
<b>Capital Equipment</b>	<b>101,449</b>	<b>90,589</b>	<b>(10,860)</b>
<b>Total WASA CIP Lifetime (see notes)</b>	<b>5,301,513</b>	<b>4,608,118</b>	<b>(693,395)</b>

## Notes:

- 1 The Long Term Control Plan shown above reflects the twenty-year plan approved by the Board of Directors in December 2004.
- 2 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 2004 will be dropped from the CIP next year.
- 3 These budgets do not include inhouse labor costs, which historically have averaged \$7 to \$8 million annually and are applicable primarily to time charged to capital projects by employees in the Departments of Engineering, Sewer Services, and Water Services.

**FY 2004 - FY 2013 PROJECTED CAPITAL IMPROVEMENT PLAN - DISBURSEMENTS BASIS (\$ in 000's)**

	FY 2004 Actual	FY 2005 Revised	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total FY '04-'13
<b>Wastewater Treatment</b>										
Liquid Processing Projects	69,394	65,076	50,790	16,809	2,207	455	555	2,471	3,190	279,146
Plantwide Projects	23,992	29,366	13,187	10,801	2,584	574	517	3,601	1,122	100,631
Solids Processing Projects	28,732	27,154	36,273	75,303	75,106	43,943	21,452	2,048	898	332,991
Sub-total	123,118	121,596	100,260	102,913	79,897	44,972	22,524	8,120	5,208	712,768
<b>Sanitary Sewer</b>										
Sanitary Collection Sewers	1,101	4,355	-	3,739	-	-	-	-	-	6,838
Sanitary On-Going Projects	4,358	6,059	3,775	3,739	2,883	4,332	5,186	6,308	7,189	48,828
Sanitary Pumping Facilities	819	2,665	5,162	41	170	-	-	-	-	16,145
Sanitary Sewer Projects Program Management	2,357	3,556	1,508	579	357	455	421	431	-	12,598
Sanitary Interceptor/Trunk Force Sewers	2,284	8,546	7,639	3,557	3,005	2,934	3,357	-	-	57,669
Sub-total	10,919	25,181	18,085	7,916	6,415	7,721	8,964	6,739	7,189	141,878
<b>Combined Sewer Overflow / Long Term Control Plan</b>										
CSO Program Management	924	1,835	128	-	-	-	-	-	-	3,715
Combined Sewer Projects	17,069	25,589	37,454	13,133	349	73	36	-	-	133,566
Long-Term Control Plan- (see note 1)	-	-	-	-	-	-	-	-	-	-
Blue Plains	-	450	300	300	800	1,000	1,500	1,500	2,068	8,418
Anacostia Tunnel	-	4,130	14,760	16,240	18,490	15,520	73,620	81,820	84,842	314,092
Potomac Tunnel	-	-	-	-	-	-	-	-	-	-
Rock Creek Tunnel	-	-	-	-	-	-	-	-	-	-
Sub-total	17,993	32,004	52,642	29,673	19,639	16,593	75,166	83,320	86,910	459,791
<b>Stormwater</b>										
Stormwater Extensions/Local Drainage	419	252	7	-	-	-	-	-	-	1,150
Stormwater On-Going Program	613	251	224	227	229	257	333	459	490	3,413
Stormwater Pumping Facilities	5	912	-	-	-	-	-	-	-	1,506
DDOT Stormwater Program	133	1,282	475	261	292	313	376	487	526	4,627
Stormwater Projects Program Management	1,309	1,024	603	238	122	54	54	51	14	4,489
Stormwater Trunk/Force Sewers	1,671	1,256	585	507	528	683	-	-	-	6,911
Sub-total	4,150	4,977	1,894	1,233	1,171	1,307	763	997	1,030	22,086
<b>Water</b>										
Water Distribution Systems	17,922	13,157	16,309	14,821	7,136	4,520	271	1,114	2,220	104,003
Water On-Going Projects	8,157	4,285	4,144	3,795	3,402	3,504	4,020	5,304	5,748	47,648
Water Pumping Facilities	15,669	18,423	9,633	5,296	-	-	-	-	-	62,438
DDOT Water Projects	3,274	8,033	1,147	1,212	1,063	1,051	1,429	1,967	2,054	23,082
Water Storage Facilities	118	247	1,567	2,320	-	-	-	102	146	4,750
Water Projects Program Management	6,264	4,142	2,703	2,786	2,772	1,060	-	-	-	22,362
Water Lead Program	-	31,783	51,931	47,996	49,641	42,741	9,236	-	-	280,198
Meter Replacement /AMR Installation	6,257	9,846	500	500	500	500	500	500	-	23,653
Sub-total	57,661	89,926	87,934	78,726	64,514	53,376	15,456	8,987	10,668	568,134
Washington Aqueduct	15,084	9,838	23,670	20,113	17,184	16,978	5,745	6,703	6,977	127,292
Capital Equipment	9,343	13,749	12,378	6,496	6,983	5,192	5,816	6,250	5,321	83,971
<b>Total FY 2006 WASA Capital Improvement Program</b>	<b>238,268</b>	<b>297,271</b>	<b>296,853</b>	<b>247,070</b>	<b>195,803</b>	<b>146,139</b>	<b>134,424</b>	<b>121,116</b>	<b>123,303</b>	<b>2,115,930</b>

Note: The Long Term Control Plan disbursements shown above reflect the twenty-year plan approved by the Board in December 2004.

**Presented and Adopted: January 6, 2005**

**SUBJECT: Approval of the Fiscal Year 2006 Stormwater Permit  
Compliance Enterprise Fund Budget**

**#05-05  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

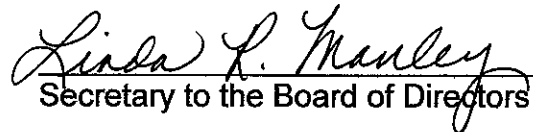
The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on January 6, 2005 decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2006 Proposed Stormwater Permit Compliance Enterprise Fund Operating Budget:

**WHEREAS**, on December 14 and 15, 2004, the Environmental Quality and Operations and Finance and Budget Committees respectively met and reviewed the proposed Stormwater Permit Compliance Enterprise Fund budget and recommended that it be approved by the Board.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board hereby approves and adopts the Fiscal Year 2006 Stormwater Permit Compliance Enterprise Fund budget totaling \$6,673,000 expressed in the attached Schedule A.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 6, 2005**

**SUBJECT: Intent to Reimburse Capital Expenditures with Proceeds  
of a Borrowing**

**#05-06  
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 January 6, 2005, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed to approve the following action.

**WHEREAS**, the District of Columbia Water and Sewer Authority (the "Borrower") intends to acquire, construct and equip the items and projects set forth in Exhibit A hereto (collectively, the "Projects"); and

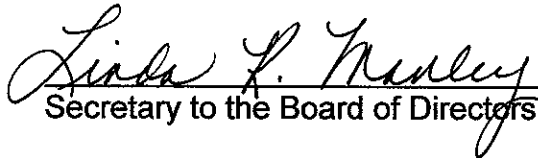
**WHEREAS**, plans for the Projects have advanced and the Borrower expects to advance its own funds to pay expenditures related to the Project (the "Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Borrower intends to utilize the proceeds of tax-exempt bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$246,500,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 04-05 of the Board adopted on January 6, 2004 plus amounts projected to be reimbursed during Fiscal Year 2005 and through January 2006.
2. The Borrower intends that the proceeds of the Bonds be used to reimburse the Borrower for Expenditures with respect to the Projects made on or after the date that is 60 days before the date of this Resolution. The Borrower reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a

grant to a party that is not related to or an agent of the Borrower so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Borrower.

4. The Borrower intends to make a reimbursement allocation, which is a written allocation by the Borrower that evidences the Borrower's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Borrower recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Borrower intends that the adoption of this resolution confirm the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
6. This resolution shall take effect immediately.

  
Secretary to the Board of Directors

## **EXHIBIT A — LIST OF PROJECTS**

**Blue Plains Advanced Wastewater Treatment Plant Rehabilitation**  
**Sanitary Sewer System Improvement Projects**  
**Combined Sewer System improvement Projects**  
**Stormwater Sewer System Improvement Projects**  
**Water Pumping, Distribution & Storage Projects**  
**Metering & Capital Equipment**  
**Washington Aqueduct Projects**

**Presented and Adopted: January 6, 2005**  
**SUBJECT: Approval of Contract No. 970099**  
**W. M. Schlosser Company, Inc**

**#05-07**  
**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 the Board meeting held on January 6, 2005, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to approve the following action with respect to Contract No. 970099, W.M. Schlosser Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 6 of Contract No. 970099, W. M. Schlosser Company, Inc. The purpose of this change is to settle all issues and claims pertaining to the washwater pumps in accordance with the Contracting Officer's Letter of November 21, 2002. In addition, remove the drives from the motors of the eight washwater pumps which will reduce operating costs and maintenance costs for the Authority and to modify the performance characteristics of the washwater pumps so they are specifically tailored for the new air-water wash filter conversion which is currently underway. The change amount is \$888,916.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 6, 2005**  
**SUBJECT: Approval of Contract No. 02-0130**  
**W. M. Schlosser Company, Inc**

**#05-08**  
**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 the Board meeting held on January 6, 2005, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to approve the following action with respect to Contract No. 02-0130, W.M. Schlosser Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 5 of Contract No. 02-0130, W. M. Schlosser Company, Inc. The purpose of this change is to modify the unit heater wire size, the door hardware, the I/O list, the specified guardrail, the openings in the concrete structure to allow the passage of 3" air piping at 48 places, and the air blow off valve piping. The change amount is \$118,035.

This resolution is effective immediately.

  
Secretary to the Board of Directors



**Presented and Adopted: January 6, 2005**

**SUBJECT: Proposed Water and Sewer Service Rates, Right of Way / PILOT Fee, & Metering Fee For Fiscal Year 2006**

**#05-09  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at the Board meeting held on January 6, 2005 decided by a vote of five (5) in favor and none (0) opposed, to take the following action with respect to the proposed retail rates for water and sewer service, the right of way / payment in lieu of taxes (PILOT) fee, and the metering fee (a matter not affecting the general management of joint-use sewerage facilities):

**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 the Authority'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 Rates Committee met on December 15, 2004 to consider the proposed rate and fee changes; and

**WHEREAS**, the Retail Rates Committee recommended that the Board consider for public comment a retail rate increase of approximately six percent; and

**WHEREAS**, the Retail Rates Committee recommended that the Board consider for public comment an increase in the right of way / PILOT fee to recover the full cost of the Authority's right of way and PILOT payment to the District of Columbia government; and

**WHEREAS**, the Retail Rates Committee recommended that the Board consider for public comment new metering fees for fire service meters and that it consider other modifications to the metering fee as part of the FY 2007 budget and rate-setting process; and

**WHEREAS**, the Retail Rates Committee recommended that the fee for private lead service line replacements remain unchanged from the level adopted in September 2004 based on management's analysis of the cost recovery of the fee to date; 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**, the Authority's revenue projections for Fiscal Year 2006 reflect an approximate \$11 million increase due to the proposed six percent increase in retail rates and an approximate \$2 million due to the proposed Right of Way / PILOT fee increase.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board finds that the Authority'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 \$1.83 per One Hundred Cubic Feet ("Ccf"), to \$1.94 per Ccf, effective October 1, 2005.

**Sewer Service Rates**

- a. An increase in the rate for retail sanitary sewer service from \$2.76 per Ccf to \$2.93 per Ccf, effective October 1, 2005.

**Right of Way / PILOT Fee**

- a. An increase in the Right of Way / PILOT fee from \$0.36 per Ccf to \$0.42 per Ccf, effective October 1, 2005.

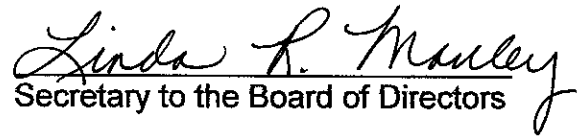
**Metering Fee**

- a. Implementation of new monthly fees for fire service meters, effective October 1, 2005, as shown below.

Four Inch Meters	\$ 79.35
Six Inch Meters	\$213.18
Eight Inch Meters	\$230.64
Ten Inch Meters	\$250.49

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.

  
Secretary to the Board of Directors