

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Change Order No. 12 of  
Contract No. 000090, Emerson Process Management

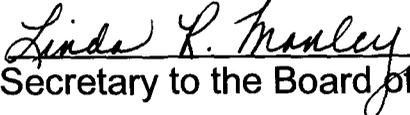
#08-00  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Change Order No. 12 of Contract No. 000090, Emerson Process Management.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 12 of Contract No. 000090, Emerson Process Management. The purpose of the change order is to modify PCCS cabinets to mitigate damage caused by corrosive environment and to provide PCCS interface with Nitrification facilities. The change amount is \$427,742.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of  
Contract No. FCWA-05-01, Allegiance Chemicals,  
LLC.

#08-01  
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 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01, Allegiance Chemicals, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01, Allegiance Chemicals, LLC. The purpose of the option is to provide sodium hydroxide to control wastewater pH and alkalinity. The option amount is \$977,100.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01 (1), Hardy & Son Trucking, Inc.

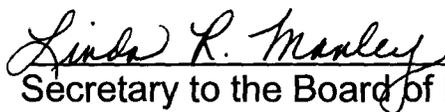
#08-02  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(1), Hardy & Son Trucking, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(1), Hardy & Son Trucking, Inc. The purpose of the option is to provide emulsion polymer to the DCWASA's Blue Plains site, under a rider clause agreement among participating jurisdictions within the Council of Government. The option amount is \$321,200.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(B), Tricon of Washington, D.C.

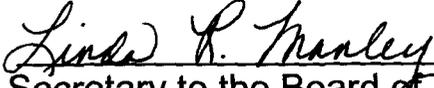
#08-03  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(B), Tricon of Washington, D.C.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(B), Tricon of Washington, D.C. The purpose of the option is to provide pebble quicklime to the Blue Plains Wastewater Treatment Plant used for biosolids stabilization. The option amount is \$2,774,300.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(C), Colonial Chemical Solutions, Inc.

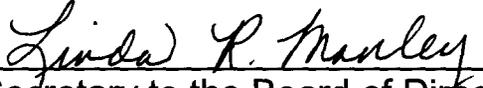
#08-04  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(C), Colonial Chemical Solutions, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(C), Colonial Chemical Solutions, Inc. The purpose of the option is to provide methanol to the Blue Plains Wastewater Treatment Plant. The option amount is \$11,941,400.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(E), Kuehne Chemical Company, Inc.

#08-05  
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 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(E), Kuehne Chemical Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(E), Kuehne Chemical Company, Inc. The purpose of the option is to provide sodium hypochlorite to the Blue Plains Wastewater Treatment Plant used for disinfection and odor control. The option amount is \$4,052,800.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(F), J&K Distributors

#08-06  
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 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(F), J&K Distributors.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(F), J&K Distributors. The purpose of the option is to provide dry cationic polymer to the Blue Plains Wastewater Treatment Plant for solids dewatering. The option amount is \$3,235,600.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(G), J&K Distributors

#08-07  
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 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(G), J&K Distributors.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(G), J&K Distributors. The purpose of the option is to provide dry cationic polymer to the Blue Plains Wastewater Treatment Plant for secondary and nitrification/denitrification setting. The option amount is \$852,900.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(J), PVS Chemical Solutions Inc.

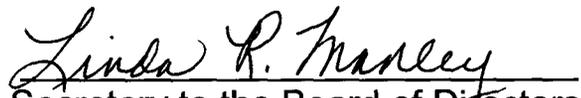
#08-08  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(J), PVS Chemical Solutions Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(J), PVS Chemical Solutions Inc. The purpose of the option is to provide sodium bisulfite to the DCWASA's Blue Plains Wastewater Treatment Plant used for dechlorination. The option amount is \$521,000.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(L), J&K Distributors

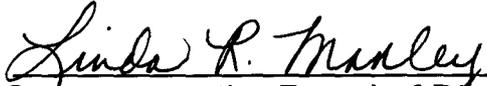
#08-09  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(L), J&K Distributors.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(L), J&K Distributors. The purpose of the option is to provide dry anionic polymer to the Blue Plains Wastewater Treatment Plant used for primary treatment settling. The option amount is \$364,000.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. FCWA-05-01(A), Kemira Water Solutions, Inc.

#08-10  
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 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. FCWA-05-01(A), Kemira Water Solutions, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. FCWA-05-01(A), Kemira Water Solutions. The purpose of the option is to provide Ferric Chloride to the Blue Plains Wastewater Treatment Plant for phosphorus removal and enhancing settling. The option amount is \$1,059,729.

This resolution is effective immediately.

  
Secretary to the Board of Directors

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No. WAS-04-053-AA-MB, J. Givoo Consultants, Inc.

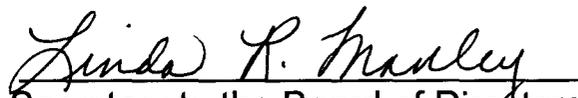
#08-11  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on January 10, 2008 upon consideration of a joint use matter decided by a vote of eight (8) in favor and none (0) opposed, to approve Option Year Three of Contract No. WAS-04-053-AA-MB, J. Givoo Consultants, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. WAS-04-053-AA-MB, J. Givoo Consultants, Inc. The purpose of the option is to provide technical expertise to perform maintenance, repairs, testing and calibration of instrumentation, process control equipment, and SCADA systems. The option amount is \$1,228,822.61.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 10, 2008**  
**Subject: Approval of Fiscal Year 2008 Revised Operating Budget**

**#08-12**  
**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 10, 2008, decided by a vote of eight in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2008 Revised Operating Budget.

**WHEREAS**, in October 2007 the General Manager presented a Revised Fiscal Year 2008 Operating Budget to the Board that totaled \$340,762,000, approximately \$422,000 less than the Operating Budget approved by the Board in February 2007 due primarily to lower debt service partially offset by increased costs for contractual services, chemicals and utilities; and

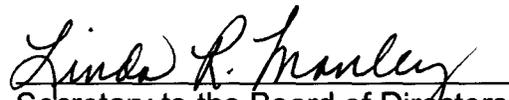
**WHEREAS**, the Revised FY 2008 Operating Budget is detailed in the General Manager's Proposed FY 2009 Operating Budget dated October 25, 2007 and in materials presented to the Finance and Budget and Environmental Quality and Operations Committee on October 25, 2007; and

**WHEREAS**, on December 19 and December 20, 2007, the Finance and Budget Committee, and the Environmental Quality and Operations Committee respectively, recommended that the Board adopt a Revised FY 2008 Operating Budget that totals \$340,762,000.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board hereby approves and adopts the District of Columbia Water and Sewer Authority's Fiscal Year 2008 Revised Operating Budget totaling \$340,762,000 as recommended by the Finance and Budget Committee on December 19, 2007 and the Environmental Quality and Operations Committee on December 20, 2007.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 10, 2008**  
**Subject: Approval of Fiscal Year 2009 Proposed Operating Budget**

**#08-13**  
**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 10, 2008, decided by a vote of eight (8) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2009 Proposed Operating Budget.

**WHEREAS**, in October 2007, the General Manager presented the FY 2009 Proposed Operating Budget to the Board that totaled \$363,234,000; and

**WHEREAS**, on December 19, 2007 the Finance and Budget Committee recommended, and on December 20, 2007, the Environmental Quality and Operations Committee recommended that the Board adopt a FY 2009 budget that totals \$363,234,000.

**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 2009 Proposed Operating Budget totaling \$363,234,000 as further detailed in the General Manager's Proposed FY 2009 Operating Budget dated October 25, 2007 and in materials presented to the Finance and Budget and Retail Rates Committees which met on December 19, 2007 and the Environmental Quality and Operations Committee which met on December 20, 2007.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 10, 2008**  
**Subject: Approval of Fiscal Year 2009 Capital Authority Request**

**#08-14**  
**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 10, 2008, decided by a vote of eight (8) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2009 Capital Authority request which is to be submitted to the United States Congress.

**WHEREAS**, in October 2007, the General Manager presented the FY 2009 Proposed Capital Authority request of \$585,902,000; and

**WHEREAS**, on December 19, 2007, the Finance and Budget Committee met and recommended that the Board adopt the Proposed Capital Authority request of \$585,902,000; and

**WHEREAS**, on December 20, 2007 the Environmental Quality and Operations Committee recommended that the Board adopt the Capital Authority request of \$585,902,000; and

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

**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 2009 Capital Authority request totaling \$585,902,000 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

**Fiscal Year 2009 Capital Authority Request  
(\$000's)**

<b><u>Service Areas</u></b>	<b><u>Fiscal Year 2009 Capital Authority Request</u></b>
<b>Blue Plains Wastewater Treatment</b>	<b>486,141</b>
<b>Sanitary Sewer System <sup>1</sup></b>	<b>0</b>
<b>Combined Sewer Overflow <sup>1</sup></b>	<b>0</b>
<b>Stormwater <sup>1</sup></b>	<b>0</b>
<b>Water System</b>	<b>88,769</b>
<b>Washington Aqueduct (WASA share)</b>	<b>2,249</b>
<b>Capital Equipment</b>	<b><u>8,743</u></b>
<b>Total</b>	<b><u>585,902</u></b>

<sup>1</sup> The authority request is zero, as, existing (currently available) capital authority in these service areas are in excess of projected commitments in FY 2008, FY 2009, FY 2010 and FY 2011.

**Presented and Adopted: January 10, 2008**  
**SUBJECT: Approval of Fiscal Year 2007-2016 Ten Year Financial Plan**

**#08-15**  
**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 its meeting held on January 10, 2008 decided by a vote of nine (9) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2007 – 2016 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 97-121 and 97-124 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 2009 operating and capital budgets; and

**WHEREAS**, the Fiscal Year 2007 – 2016 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 Finance and Budget and Retail Rates Committees which met on December 19, 2007; and

**WHEREAS**, Board Resolution 07-86 establishes a policy to develop rates and charges based on impervious surface areas which may impact the rate increases presented in the attached Schedule A; and

**WHEREAS**, there is an outstanding appeal under review by the Environmental Appeal Board on the requirements of the National Pollutant Discharge Elimination System (NPDES) permit and the level of nitrogen output from Blue Plains and the results of this appeal may alter the strategy, requirements or costs of the nitrogen removal project; and

**WHEREAS**, the Board and the representatives to the Intermunicipal Agreement (IMA) negotiating committee continue to review the level of participation of wholesale customers and allocation of costs to the Long Term Control Plan (LTCP) and nitrogen reduction; and

**WHEREAS**, EPA interpretation of Total Maximum Daily Pollutant Load (TMDL) and the projected issuance of a new TMDL schedule in the summer of 2008 may require adjustment to the LTCP in order to ensure full compliance with EPA regulations; and

**WHEREAS**, progress and success of appropriate quality management of the water supply and implementation of the Lead Service Replacement program have continued the safe distribution of water and may result in deferral of the lead replacement program after FY 2008; and

**WHEREAS**, the Board is aware that any or all of the factors related to the NPDES permit, the LTCP, the nitrogen reduction, and the lead service replacement program may impact the FY 2007-2016 Capital Improvement Plan as early as FY 2008.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board of Directors hereby approves and adopts the proposed Fiscal Year 2007 – 2016 Financial Plan as expressed in the proposed Fiscal Year 2009 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

# ATTACHMENT A

**DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY**  
**FY 2007 - 2016 FINANCIAL PLAN**  
*(In 000's)*

<b>OPERATING</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Operating Receipts (1)</b>	\$ 303,740	\$ 338,398	\$ 353,399	\$ 374,114	\$ 391,809	\$ 415,763	\$ 448,113	\$ 478,882	\$ 508,247	\$ 539,450
<b>Operating Expenses</b>	\$ 225,920	\$ 255,853	\$ 263,592	\$ 270,979	\$ 278,280	\$ 283,701	\$ 294,163	\$ 304,888	\$ 314,961	\$ 325,431
<b>Debt Service</b>	\$ 50,841	\$ 70,679	\$ 83,899	\$ 95,148	\$ 107,941	\$ 124,423	\$ 146,753	\$ 167,851	\$ 186,884	\$ 206,647
<b>Net Revenues After Debt Service</b>	\$ 26,979	\$ 11,865	\$ 5,908	\$ 7,986	\$ 5,589	\$ 7,640	\$ 7,197	\$ 6,143	\$ 6,403	\$ 7,372
<b>Operating Reserve</b>	\$ 116,743	\$ 118,578	\$ 121,884	\$ 124,717	\$ 127,404	\$ 129,260	\$ 133,506	\$ 137,894	\$ 141,986	\$ 146,200
<b>Rate Stabilization Fund (2)</b>	\$ 10,000	\$ (24,900)	\$ (22,600)	\$ (15,000)	\$ (2,000)	\$ -	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)
<b>Senior Debt Service Coverage</b>	343%	395%	298%	253%	225%	207%	184%	170%	162%	156%
<b>Proposed Retail Rate Increases</b>	5.0%	5.5%	8.5%	12.0%	12.0%	9.5%	10.0%	9.0%	8.0%	8.0%

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

(2) FY2007 contribution of \$10 million to Rate Stabilization Fund brought the total fund balance to \$68.5 million

**Presented and Adopted: January 10, 2008**  
**Subject: Approval of Fiscal Year 2007-2016 Capital Improvement Program**

**#08-16**  
**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 10, 2008, decided by a vote of nine (9) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2007 – 2016 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; and

**WHEREAS**, on December 20, 2007, the Environmental Quality and Operations Committee met and on December 19, 2007, the Finance and Budget Committee met and recommended that the Board adopt the FY 2007 – 2016 Capital Improvement Program; and

**WHEREAS**, there is an outstanding appeal under review by the Environmental Appeals Board on the requirements of the National Pollutant Discharge Elimination System (NPDES) permit and the nitrogen allocation for Blue Plains and the results of this appeal may alter the strategy, requirements or costs of the nitrogen removal project; and

**WHEREAS**, the Board and the representatives to the Intermunicipal Agreement (IMA) negotiating committee continue to review the level of participation of wholesale customers and allocation of costs to the Long Term Control Plan (LTCP) and Nitrogen reduction; and

**WHEREAS**, the Environmental Protection Agency (EPA) is projected to issue a new Total Maximum Daily Load (TMDL) in the summer of 2008 for certain pollutants which may require adjustment to the LTCP in order to ensure full compliance with EPA regulations; and

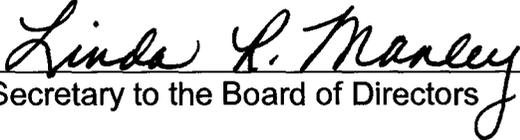
**WHEREAS**, progress and success of appropriate quality management of the water supply and implementation of the Lead Service Replacement program have continued the safe distribution of water and may result in deferral of the lead replacement program after FY 2008; and

**WHEREAS**, the Board is aware that any or all of the factors related to the NPDES permit, the LTCP, the nitrogen reduction and the lead service replacement program may impact the FY 2007-2016 Capital Improvement Plan as early as FY 2008.

**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 2007 – 2016 Capital Improvement Plan with a lifetime budget totaling \$6,218,265,000 (Attachment A) and related disbursements budget of \$3,082,948 (Attachment B) and as further detailed in the General Manager's Proposed Fiscal Year 2009 Operating and Capital Budgets dated October 25, 2007 and accompanying materials.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**FY 2007 - FY 2016 Capital Improvement Plan**

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

	<u>FY 2008 Approved</u>	<u>FY 2008 Revised / FY 2009 Proposed</u>	<u>Variance</u>
<b><u>Wastewater Treatment</u></b>			
Liquid Processing Projects	541,207	569,911	28,704
Plantwide Projects	295,594	264,458	(31,136)
Solids Processing Projects	562,747	555,763	(6,984)
Blue Plains Total Nitrogen Removal (BTN)	-	950,000	950,000
<b>Sub-total</b>	<b>1,399,548</b>	<b>2,340,132</b>	<b>940,584</b>
<b><u>Sanitary Sewer</u></b>			
Sanitary Collection Sewers	10,966	10,966	0
Sanitary On-Going Projects	65,827	86,146	20,319
Sanitary Pumping Facilities	22,882	22,999	117
Sanitary Sewer Projects Program Management	38,530	37,045	(1,485)
Sanitary Interceptor/Trunk Force Sewers	110,791	115,666	4,875
<b>Sub-total</b>	<b>248,996</b>	<b>272,822</b>	<b>23,826</b>
<b><u>Combined Sewer Overflow</u></b>			
CSO Program Management	17,754	17,579	(175)
Combined Sewer Projects	224,959	339,664	114,705
Long-Term Control Plan- Total			0
Blue Plains	36,846	296	(36,550)
Anacostia Tunnel	1,372,545	1,372,545	-
Potomac Tunnel	418,700	418,700	-
Rock Creek Tunnel	70,342	70,342	-
<b>Sub-total</b>	<b>2,141,146</b>	<b>2,219,126</b>	<b>77,980</b>
<b><u>Stormwater</u></b>			
Stormwater Extensions/Local Drainage	2,333	2,333	0
Stormwater On-Going Program	7,125	7,762	637
Stormwater Pumping Facilities	1,173	1,173	0
DDOT Stormwater Program	4,230	4,426	196
Stormwater Projects Program Management	9,630	9,630	-
Stormwater Trunk/Force Sewers	19,850	18,405	(1,445)
<b>Sub-total</b>	<b>44,341</b>	<b>43,729</b>	<b>(612)</b>
<b><u>Water</u></b>			
Water Distribution Systems	289,447	317,342	27,895
Water Lead Program	438,486	438,486	0
Water On-Going Projects	71,090	72,455	1,365
Water Pumping Facilities	100,263	96,199	(4,064)
DDOT Water Projects	33,691	35,530	1,839
Water Storage Facilities	32,112	32,359	247
Water Projects Program Management	28,179	25,944	(2,235)
Meter Replacement /AMR Installation	47,336	52,910	5,574
<b>Sub-total</b>	<b>1,040,604</b>	<b>1,071,225</b>	<b>30,621</b>
<b>Washington Aqueduct</b>	<b>175,475</b>	<b>170,391</b>	<b>(5,084)</b>
<b>Capital Equipment</b>	<b>95,845</b>	<b>100,840</b>	<b>4,995</b>
<b>Total WASA CIP Lifetime (see notes)</b>	<b>5,145,955</b>	<b>6,218,265</b>	<b>1,072,310</b>

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 2006 will be dropped from the CIP next year.

2 These budgets do not include inhouse labor costs, which historically have averaged \$7 to \$8 million annually and are applicable to, primarily, the time charged to capital projects by employees in the Departments of Engineering, Sewer Services, and Water Services.

**ATTACHMENT B**

**FY 2007 - FY 2016 PROJECTED CAPITAL IMPROVEMENT PLAN - DISBURSEMENTS BASIS (\$ in 000's)**

	FY 2007 Actuals	FY 2008 Revised	FY 2009 Proposed	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total FY '07 -'16
<b>Wastewater Treatment</b>											
Liquid Processing Projects	\$31,439	\$40,531	\$56,285	\$32,256	\$13,484	\$1,522	\$1,571	\$2,348	\$6,053	\$11,544	\$197,035
Plantwide Projects	11,443	17,007	14,135	10,452	3,746	9,935	7,929	2,645	926	1,133	79,350
Solids Processing Projects	8,813	7,302	10,304	26,276	25,256	34,610	55,726	64,767	43,096	27,295	303,444
BTN - Total Nitrogen Program	-	5,151	9,847	22,593	29,565	145,619	241,664	138,550	95,952	126,457	815,398
<b>Sub-total</b>	<b>51,695</b>	<b>69,990</b>	<b>90,571</b>	<b>91,577</b>	<b>72,050</b>	<b>191,686</b>	<b>306,891</b>	<b>208,310</b>	<b>146,028</b>	<b>166,428</b>	<b>1,395,227</b>
<b>Sanitary Sewer</b>											
Sanitary Collection Sewers	208	107	848	841	-	-	-	-	-	-	2,004
Sanitary On-Going Projects	5,006	4,623	6,630	6,624	5,993	3,433	3,716	3,998	4,138	4,264	48,425
Sanitary Pumping Facilities	958	1,523	1,532	358	3	-	-	-	0	-	4,373
Sanitary Sewer Projects Program Management	2,167	2,363	2,134	2,966	3,031	2,661	2,367	1,671	1439	1,440	22,240
Sanitary Interceptor/Trunk Force Sewers	6,402	6,654	19,975	21,107	8,607	3,649	2,096	1,816	1591	461	72,359
<b>Sub-total</b>	<b>14,741</b>	<b>15,270</b>	<b>31,118</b>	<b>31,897</b>	<b>17,634</b>	<b>9,744</b>	<b>8,179</b>	<b>7,485</b>	<b>7,167</b>	<b>6,166</b>	<b>149,402</b>
<b>Combined Sewer Overflow / Long Term Control Plan</b>											
CSO Program Management	1,389	464	21	2	-	-	-	-	-	-	1,876
Combined Sewer Projects	34,242	37,064	23,373	27,898	8,194	3,252	614	-	-	882	135,519
Long-Term Control Plan-											
Anacostia Tunnel <sup>(1)</sup>	7,084	8,914	9,175	19,981	19,973	38,373	53,561	88,329	124,805	123,675	493,871
Potomac Tunnel	-	-	-	-	-	-	-	-	2,024	6,749	8,773
Rock Creek Tunnel	-	-	-	-	-	-	-	-	-	305	305
<b>Sub-total</b>	<b>42,715</b>	<b>46,442</b>	<b>32,569</b>	<b>47,881</b>	<b>28,167</b>	<b>41,624</b>	<b>54,175</b>	<b>88,329</b>	<b>126,829</b>	<b>131,611</b>	<b>640,343</b>
<b>Stormwater</b>											
Stormwater Extensions/Local Drainage	128	79	449	-	-	-	-	-	-	-	656
Stormwater On-Going Program	-	312	186	243	278	281	285	297	308	361	2,550
Stormwater Pumping Facilities	42	0	-	-	-	-	-	-	-	-	42
DDOT Stormwater Program	-	34	8	85	89	90	92	95	98	87	678
Stormwater Projects Program Management	646	993	823	795	646	446	112	-	-	-	4,461
Stormwater Trunk/Force Sewers	837	821	1,715	685	-	1,061	889	867	5	-	6,879
<b>Sub-total</b>	<b>1,653</b>	<b>2,240</b>	<b>3,181</b>	<b>1,808</b>	<b>1,012</b>	<b>1,878</b>	<b>1,378</b>	<b>1,259</b>	<b>411</b>	<b>448</b>	<b>15,268</b>
<b>Water</b>											
Water Distribution Systems	11,074	14,931	29,971	28,019	23,266	18,227	14,595	15,065	13,881	18,918	187,946
Water On-Going Projects	5,696	8,998	6,416	4,643	3,003	1,365	3,229	3,552	3,635	3,846	44,382
Water Pumping Facilities	4,743	15,762	8,701	1,113	31	-	-	-	-	-	30,350
DDOT Water Projects	315	841	237	1,831	2,040	2,040	1,195	1,248	1,291	1,288	12,325
Water Storage Facilities	17	40	46	2,757	1,755	1,093	6,857	2,421	143	352	15,482
Water Projects Program Management	2,394	2,012	1,979	1,972	2,168	2,474	2,447	2,456	2,466	1,626	21,993
Water Lead Program	24,730	37,833	24,832	41,814	40,665	41,979	42,989	41,149	11,498	2,543	310,032
Meter Replacement /AMR Installation	2,465	2,911	1,685	897	897	1,047	897	897	897	895	13,488
<b>Sub-total</b>	<b>51,434</b>	<b>83,328</b>	<b>73,968</b>	<b>83,046</b>	<b>73,825</b>	<b>68,224</b>	<b>72,208</b>	<b>66,787</b>	<b>33,811</b>	<b>29,468</b>	<b>635,999</b>
<b>Washington Aqueduct</b>	<b>2,298</b>	<b>90,072</b>	<b>11,030</b>	<b>5,148</b>	<b>6,798</b>	<b>7,465</b>	<b>6,864</b>	<b>6,534</b>	<b>6,607</b>	<b>7,076</b>	<b>149,892</b>
<b>Capital Equipment</b>	<b>12,264</b>	<b>16,327</b>	<b>13,303</b>	<b>12,028</b>	<b>8,968</b>	<b>6,692</b>	<b>6,345</b>	<b>7,940</b>	<b>6,478</b>	<b>6,473</b>	<b>96,817</b>
<b>Total FY 2009 WASA Capital Improvement Program</b>	<b>\$176,800</b>	<b>\$323,669</b>	<b>\$255,640</b>	<b>\$273,384</b>	<b>\$208,454</b>	<b>\$327,313</b>	<b>\$456,041</b>	<b>\$386,644</b>	<b>\$327,332</b>	<b>\$347,671</b>	<b>\$3,082,948</b>

<sup>(1)</sup> Disbursements for the Anacostia Tunnel are subject to review by the Board-Committees (due to ongoing discussions with EPA), and, therefore, may potentially be reduced, or put on hold.

**Presented and Adopted: January 10, 2008**

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

**#08-17  
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 January 10, 2008, upon consideration of a joint-use matter, decided by a vote of eight (8) 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 Projects (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, taxable bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$277,600,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 07-23 of the Board adopted on February 8, 2007 plus amounts projected to be reimbursed during Fiscal Year 2008 and through January 2009.
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 prior to 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 10, 2008**  
**SUBJECT: Proposed Water and Sewer Service Rates, Right of Way and PILOT Fee For Fiscal Year 2009**

**#08-18**  
**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 10, 2008 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 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 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 19, 2007 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 8.5 percent; and

**WHEREAS**, the Retail Rates Committee recommended that the Board consider for public comment an increase in the PILOT fee to recover the full cost of the Authority's right of way and PILOT payments to the District of Columbia government pending receipt of PILOT certification of cost from the District of Columbia Chief Financial Officer (DC CFO); 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 2009 reflect an approximate \$13.1 million increase due to the proposed 8.5 percent increase in retail rates and an estimated \$1.1 million due to the proposed PILOT fee increase; and

**WHEREAS**, Board Resolution #07-86 directs the General Manager to develop and implement charges and rates necessary to recover CSO LTCP costs based upon impervious surface areas rather than gallons of water purchased by customers and this impervious rate is not currently reflected in the various rates recommended by the Retail Rates Committee and the Budget and Finance Committee on December 19, 2007.

**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 \$2.14 per One Hundred Cubic Feet ("Ccf"), to \$2.32 per Ccf, effective October 1, 2008.

Sewer Service Rates

- b. An increase in the rate for retail sanitary sewer service from \$3.23 per Ccf to \$3.51 per Ccf, effective October 1, 2008.

Right of Way/PILOT Fee

- c. An increase in the Right of Way/PILOT fee from \$0.47 per Ccf to \$0.52 per Ccf, effective October 1, 2008, divided as follows:
    - i. Payment in Lieu of Taxes to the Office of the Chief Financial Officer (OCFO) of the District of Columbia - \$0.39 per Ccf; and
    - ii. District of Columbia Right of Way fee - \$0.13 per Ccf.
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

Presented and Adopted: January 10, 2008  
SUBJECT: Approval of Option Year Three of Contract No.  
070120, Fort Myer Construction Corporation

#08-19  
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 10, 2008 upon consideration of a non-joint use matter decided by a vote of five (5) in favor and none (0) opposed, to approve Option Year Three of Contract No. 070120, Fort Myer Construction Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. 070120, Fort Myer Construction Corporation. The purpose of the option is to eliminate lead water service lines within Washington, DC. The option amount is \$5,853,305.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: January 10, 2008**  
**SUBJECT: Adoption of Compensation Agreement**

**#08-20**  
**RESOLUTION**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF THE**  
**D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority and "WASA") at its meeting on January 10, 2008, upon consideration of a joint-use matter, decided by a vote of eight (8) in favor and none (0) opposed, to take the following action with respect to approval of a proposed Compensation Agreement.

**WHEREAS**, the District of Columbia Public Employee Relations Board (PERB) has certified the American Federation of Government Employees (AFGE) Locals 631, 872 and 2553, the American Federation of State, County and Municipal Employees (AFSCME) Local 2091, and the National Association of Government Employees (NAGE) Local R3 – 05 and 06 (collectively "the Unions"), to represent the employees of the District of Columbia Water and Sewer Authority who are members of compensation Unit 31; and

**WHEREAS**, representatives of the Authority and the Unions have bargained in good faith pursuant to law to achieve a successor Compensation Agreement ("the Compensation Agreement"); and

**WHEREAS**, on or about December 14, 2007, a Compensation Agreement was reached during mediation conducted by Federal Mediation and Conciliation Services (FMCS) and the Compensation Agreement has been ratified by the Unions and is binding on the Authority and the Unions; and

**WHEREAS**, the Human Resources and Labor Relations Committee has recommended that the Board approve execution of the Compensation Agreement; and

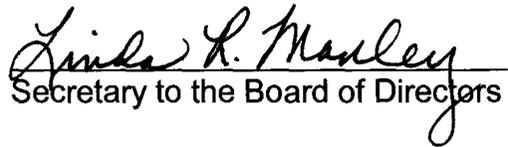
**WHEREAS**, the financial impact of the agreement has been reviewed by the Authority's Chief Financial Officer who has determined that the agreement is consistent with the budget and the approved long term financial plan of the Authority; and

**WHEREAS**, the proposed Compensation Agreement constitutes a joint effort by the Unions and the Authority to assure fairness to employees and efficient, economical management by the Authority.

**NOW THEREFORE BE IT RESOLVED:**

1. The Board approves the Compensation Agreement.
2. The Compensation Agreement shall be effective, in accordance with its terms, for the period commencing on the date of full execution and ending on September 30, 2011.
3. The Chairman of the Board, the Chairman of the Human Resources and Labor Relations Committee and the General Manager are authorized to execute the Compensation Agreement.
4. The General Manager is authorized to take all actions necessary to fully implement the Compensation Agreement.

This resolution is effective immediately.

  
Secretary to the Board of Directors