

Presented and Adopted: July 3, 2008

SUBJECT: Approval of Performance Appraisal, Compensation Adjustment and Contract Extension for the General Manager

**#08-58
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority") at its meeting on July 3, 2008, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the performance appraisal, contract extension and compensation adjustment for the General Manager.

WHEREAS, the Human Resources and Labor Relations Committee ("Committee") met in March and April, 2008 to review the Performance of the General Manager; and

WHEREAS, the Committee has evaluated the General Manager's performance for the period beginning May 1, 2005 through December 2007: and

WHEREAS, the Committee has noted areas of positive performance including plant compliance with regulatory agencies, meeting and exceeding financial goals, and enviable credit rating, appropriate cash balances, and numerous awards and recognitions; and

WHEREAS, the Committee has recommended that the General Manager's performance during the period of review be rated satisfactory as defined in the Employment Agreement; and

WHEREAS, the last annual compensation adjustment for the General Manager was effective May 1, 2005; and

WHEREAS, the Committee finds that compensation adjustments should have been made during the preceding two year plus period; and

WHEREAS, for the period May 1, 2006 to April 30, 2007, the Committee recommends a \$9,000 lump sum retroactive payment; and for the period May 1, 2007 to April 30, 2008, the committee recommends a \$10,000 lump sum retroactive payment.; and

WHEREAS, in accordance with the provisions of the Employment Agreement, the General Manager's Employment Agreement should be extended until January 1, 2009; and

WHEREAS, the Committee recommends that the annual compensation for the period May 1, 2008 to January 1, 2009, be set at \$230,000; and

WHEREAS, the Committee recommends that the General Manager be compensated for twelve weeks (approximately ½ of excess accrued leave) of unused annual leave and that effective, May 1, 2008, that the amount of unused annual leave carried over will not exceed the maximum allowed (currently nine weeks); and

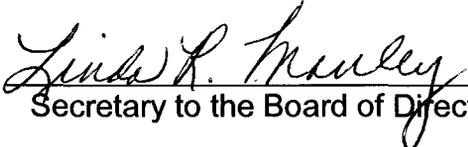
WHEREAS, The Committee recommends that the Authority contribute \$10,000 annually beginning May 1, 2008, to the General Manager's 401K Plan account;

WHEREAS, the Board accepts and adopts the recommendation of the Human Resources and Labor Relations Committee.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors approves the General Manager's Performance Evaluation as satisfactory as defined in the Agreement for the period May 1, 2005 through December 31, 2007.
2. The General Manager shall receive lump sum retroactive compensation adjustments for the period May 1, 2006 to April 30, 2007 in the amount of \$9,000 and for the period of May 1, 2007 to April 30, 2008 in the amount of \$10,000.
3. The General Manager shall receive a lump sum payment for twelve weeks of unused annual leave and that the General Manager's unused leave balance be reset to nine weeks, the maximum allowed for Authority employees effective May 1, 2008.
4. The Authority shall make a \$10,000 contribution annually to the General Manager's 401K Plan account effective May 1, 2008.
5. The General Manager's annual compensation is adjusted to \$230,000 effective May 1, 2008
6. The Employment Agreement between the Authority and Jerry N. Johnson is extended to January 1, 2009, as provided for in the Agreement.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008

SUBJECT: Approval of the 2008-2013 Strategic Plan for the District of Columbia Water and Sewer Authority's Board of Directors

**#08-59
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority"), at its meeting on July 3, 2008, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed to take the following action.

WHEREAS, the 2005–2007 Strategic Plan has provided valuable guidance for the Authority; and

WHEREAS, the Board of Directors held a planning session for the purpose of evaluating and updating the Strategic Plan in November of 2007, continuing this process of careful review through the first half of calendar year 2008; and

WHEREAS, the process involved a review of the 2005-2007 Strategic Plan, including the vision, mission, values and goals; and

WHEREAS, the Board has developed the draft 2008-2013 Strategic Plan with input from WASA staff, building on the 2005-2007 Strategic Plan; and

WHEREAS, this process has helped ensure that the 2008-2013 Strategic Plan will meet current and future institutional challenges; and

WHEREAS, the Board's goal continues to be to create a streamlined Strategic Plan to guide the organization toward achieving its vision while providing management maximum flexibility to innovate and lead the organization; and

WHEREAS, the Board has identified Critical Success Factors representing the areas that are most important to the achievement of the Authority's mission, and affirms that the following Critical Success Factors effectively support the policy and oversight functions of the Board:

- Design and implement environmentally responsible policies, programs and technologies that protect our region's waterways, air and lands
- Effectively anticipate, respond in a timely manner to, and communicate about the needs of our customers, the public, and other regional stakeholders with honesty, respect and transparency
- Excel in all aspects of water delivery, wastewater collection and treatment, and customer service
- Plan and control all financial resources in a manner faithful to our customers, bondholders and suppliers
- Attract, develop and retain staff required to sustain our values, achieve our vision and execute our mission.

WHEREAS, the Board has also identified clear objectives within the proposed Strategic Plan that are carefully aligned with each of the Critical Success Factors, and these objectives are the basis for management to develop concrete measures and performance targets, and

WHEREAS, the Authority management will take immediate steps to develop sound performance measures in clear alignment with the Strategic Plan Critical Success Factors and Objectives, and

WHEREAS, the Board agrees that the proposed Strategic Plan for 2008 -2013 meets standards required to support the strong governance, policy making and long term planning mission of the Board of Directors, and

WHEREAS, the draft 2008-2013 Strategic Plan has been advanced for consideration by the full Board.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves the 2008–2013 Strategic Plan for the District of Columbia Water and Sewer Authority's Board of Directors as set forth in attachment A.

This resolution is effective immediately.


Secretary to the Board of Directors



DC WASA 2008-2013 Strategic Plan

Board Approved Critical Success Factors and Objectives

July 9, 2008



Vision and mission

vision

Provide world-class water and wastewater services as a leading steward of the environment

mission

Serve all of its customers with outstanding service by providing reliable and cost-effective water and wastewater services in accordance with best practices



Values

values

- **Respectful, responsive and sensitive to the needs of our customer and employees**
- **Ethical and professional conduct**
- **Vigilant to ensure optimal health, safety and environmental outcomes**
- **Dedicated to teamwork and cooperation**
- **Committed to equity, trust and integrity in all that we do**



Critical Success Factor

Customer Confidence and Communications

Effectively anticipate, respond in a timely manner to, and communicate about the needs of our customers, the public, and other regional stakeholders with honesty, respect and transparency

- Consistently deliver safe drinking water, with the taste, odor and color that pleases our customers
- Exceed expectations regarding timely and accurate responses to customer, public agency, and other stakeholder inquiries, concerns, and service needs
- Maintain a transparent rate setting process, and ensure maximum public understanding and involvement
- Establish effective systems and networks to increase the timely sharing of information and processing of self service transactions
- Inspire confidence and enhance our image through our actions
- Achieve reasonable rates including relief for those least able to pay
- Coordinate closely with other units of the District of Columbia government and all other relevant units of government



Critical Success Factor

Environmental Stewardship

Design and implement environmentally responsible policies, programs, and technologies that protect our region's waterways, air, and lands

- Reduce the impact of our wastewater system on the Anacostia and Potomac Rivers, Rock Creek and the Chesapeake Bay
- Minimize nuisance odors
- Reduce carbon footprint through conservation and efficiency
- Beneficially use biosolids and wastewater
- Provide continued support to the District of Columbia's stormwater management consistent with DC WASA's obligations



Critical Success Factor

High Performing Workforce

Attract, develop and retain staff required to sustain our values, achieve our vision, and execute our mission

- Ensure top management and technical talent in place for all key positions
- Achieve local and national reputation as an employer of choice and one of the best places to work
- Maintain a safe and secure work environment



Critical Success Factor

Operating Excellence

Excel in all aspects of water delivery, wastewater collection and treatment, and customer service

- Deliver continuous, adequate water flows for fire fighting and retail customer uses
- Improve the integrity of our water distribution, and wastewater collection and treatment systems
- Implement best-in-class asset management practices
- Minimize disruption to our neighborhoods and the environment from construction, maintenance and repair activities
- Excel in all aspects of capital project planning and management



Critical Success Factor

Financial Integrity

Plan and control all financial resources in a manner faithful to our customers, bondholders, and suppliers

- Ensure operational efficiency throughout the enterprise
- Maintain strong credit rating
- Deliver clean audit opinions with no reportable conditions or weaknesses
- Ensure cost effectiveness of all major capital projects

Presented and Adopted: July 3, 2008

**SUBJECT: Approval of Strategic Plan Policy and Statement of
Philosophy**

**#08-60
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 or WASA”), at the Board meeting held on July 3, 2008 upon consideration of a joint-use matter, decided by a vote of ten (10) in favor, none (0) opposed, and one (1) abstained to approve the following action with respect to adoption of a Strategic Plan Policy and Statement of Philosophy.

WHEREAS, the Board of the Authority, an independent authority of the District of Columbia government, responsible for providing drinking water distribution, wastewater collection and wastewater treatment services, established a Strategic Plan in 1998; and

WHEREAS, the Board reviewed and updated the Strategic Plan in 2002, 2003 and 2005; and

WHEREAS, the Board also reviewed the Strategic Plan in 2007 during the Fall Board of Directors Retreat; and

WHEREAS, the Board reaffirmed its commitment to its central responsibility of determining the future course of the organization; and

WHEREAS, in order to fulfill this responsibility the Board must establish the ends that will mark the achievement of organizational success; and

WHEREAS, the Board will maintain and periodically revise a District of Columbia Water and Sewer Authority Strategic Plan that clearly states long term organizational objectives; and

WHEREAS, the Board will also establish measures and critical success factors that will allow the Board to determine the level of management's success in achieving Strategic Plan Objectives; and

WHEREAS, the WASA management will be accountable for the means of achieving the Strategic Plan objectives established by the Board; and

WHEREAS, WASA management will report, and the Board will periodically review, organizational performance relative to goals established by the Board in the District of Columbia Water and Sewer Authority Strategic Plan; and

WHEREAS, during the Board's 2007 Strategic Planning Retreat, the Board determined that it would establish a District of Columbia Strategic Plan Policy; and

WHEREAS, the District of Columbia Water and Sewer Authority Strategic Plan Policy is to provide clear guidance to management and to the Board with respect to establishing the organization's Strategic Planning objectives, Strategic Plan components, the planning horizon, measures, and review process; and

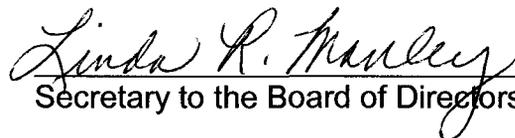
WHEREAS, the objective of the Strategic Plan Policy is also to ensure that the Strategic Plan is a living document reflecting the current mission and the milestones required to achieve the Board of Directors future vision; and

WHEREAS, in developing the District of Columbia Water and Sewer Authority Strategic Plan the members of the Board of Directors also discussed and advanced a consensus statement describing its governance philosophy

NOW THEREFORE BE IT RESOLVED THAT:

The Board of Directors hereby adopts the attached Statement of Philosophy, establishes the attached Strategic Plan Policy, and authorizes the General Manager to take all steps necessary to further the intentions expressed in this resolution.

This resolution is effective immediately.


Secretary to the Board of Directors

ATTACHMENT 1

District of Columbia Water and Sewer Authority Strategic Plan Policy

The District of Columbia Strategic Plan provides the definition of mission, values, vision and goals required for management to achieve measureable success in its operations, administration and initiatives. It reflects a balanced approach to meeting the needs of retail and wholesale customers, regulators, employees, the public and environmental constituents. The Strategic Plan will express through its language and structure meaningful and clear messages regarding mission, goals and performance to all stakeholders, including District of Columbia Water and Sewer Authority retail customers; wholesale customers; local, regional, state and federal regulators; policymakers and peer organizations.

The Strategic Plan incorporates a clear outline of key strategic ends and provides the basis for periodic review of organizational performance and achievements because it provides an effective framework that aligns Board of Directors strategic goals, business unit work plan goals, capital and operating budgets, and employee performance in achieving longer term strategic goals.

The Strategic plan will conform to the following criteria:

- Provide a comprehensive explanation of the vision, mission, values, critical success factor goals and objectives.
- Be informed by a ten-year organizational vision that is developed by Executive Management.
- Conform to a framework for achieving measurable performance targets within a five-year cycle.
- Align Board of Directors accountability for achieving the Strategic Plan goals with management accountability for execution of a business plan that is consistent with the Strategic Plan.
- Correspond to a framework for 1) periodic Board committee work plan development and review, 2) the Board's annual review of performance under the Strategic Plan's critical success factors or goals, and 3) the integration as necessary of organizational changes, market conditions, the effect of current regulations, and additional guidance from the Board.
- Include certain basic elements, such as a summary level document that is accessible to customers and external stakeholders, as well as:
 - Mission statement
 - Vision statement
 - Organizational Values
 - Key accomplishments
 - Critical Success Factors
 - Measurable Objectives

ATTACHMENT 2

District of Columbia Water and Sewer Authority Board Philosophy

The Board of Directors aspires to demonstrate excellence in governance by providing strategic guidance, policy direction, and oversight to this independent authority of the District of Columbia and regional service provider. We commit to achieving world-class levels of customer confidence and communications, environmental stewardship, workforce performance, operating excellence, and financial integrity.

The Board makes a collegial and steadfast commitment to define its strategic objectives, to set the policies by which management must meet the Board's standards of service excellence for all of the agency's customers, and to exercise continuing oversight to ensure that management appropriately implements those policies and achieves those objectives.

Presented and Adopted: July 3, 2008

SUBJECT: Approval of Contract No. DCFA #413-WSA-Joint
Venture – Bryant Associates, Inc., O'Brien & Gere
Engineers, P.C., Construction Dynamics
Group/ARCADIS

#08-61
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 July 3, 2008 upon consideration of a joint use matter decided by a vote of ten (10) in favor and none (0) opposed, to approve Contract No. DCFA #413-WSA, Bryant Associates, Inc., O'Brien & Gere Engineers, P.C., Construction Dynamics Group/ARCADIS

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #413-WSA, Bryant Associates, Inc., O'Brien & Gere Engineers, P.C., Construction Dynamics Group/ARCADIS. The purpose of the contract is to provide construction management services related to capital improvement projects in the sewage and storm water collection systems, and the water distribution system. The contract amount is \$14,700,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008
SUBJECT: Approval of Contract No. 040200,
Anchor Construction Co., Inc.

#08-62
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 July 3, 2008 upon consideration of a non-joint use matter decided by a vote of six (6) in favor and none (0) opposed, to approve Contract No. 040200, Anchor Construction Co., Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 040200, Anchor Construction Co., Inc. The purpose of the contract is to replace portions of water main with a history of breaks in the existing 20 inch 4th high water main at: 42nd St., between Military Road., NW and Legation St., NW; and 41st St., NW between Ingomar St., NW and Harrison St., NW; and to relocate a portion to public space from underneath private property. The contract amount is \$2,089,500.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008
SUBJECT: Approval of Contract No. 080070
Corinthian Contractors, Inc.

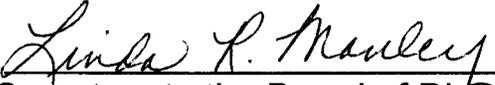
#08-63
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on July 3, 2008 upon consideration of a non-joint use matter decided by a vote of six (6) in favor and none (0) opposed, to approve Contract No. 080070, Corinthian Contractors, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 080070, Corinthian Contractors, Inc. The purpose of the contract is to continue with the hydrant replacement program through FY 2009 in accordance with the Memorandum of Understanding signed with the Fire and Emergency Medical Services in October 2007. The contract amount is \$3,613,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008
SUBJECT: Approval of Contract No. 080030
Anchor Construction Corporation

#08-64
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 July 3, 2008 upon consideration of a non-joint use matter decided by a vote of six (6) in favor and none (0) opposed, to approve Contract No. 080030, Anchor Construction Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 080030, Anchor Construction Corporation. The purpose of the contract is to maintain the sewage collection system throughout the District of Columbia. The contract amount is \$5,979,250.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008

Subject: Expansion of Customer Assistance Program (CAP) to Retail Sewer Service Charges

**# 08-65
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 July 3, 2008, upon consideration of a non-joint use matter decided by a vote of six (6) in favor and none (0) opposed to approve the following action with respect to the expansion of the Customer Assistance Program (CAP) to retail sewer service charges.

WHEREAS, in Resolution # 00-38 the Board authorized the General Manager to implement a Customer Assistance Program (CAP) to assist low income customers in paying their water service charges; and

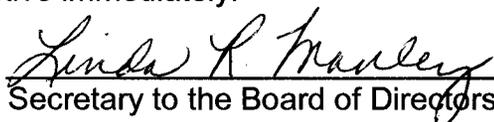
WHEREAS, in Resolution # 04-10 the Board expanded the CAP to tenants; and

WHEREAS, on June 24, 2008 the Retail Rates Committee considered recommendations advanced by the General Manager to expand the CAP to retail sewer service charges; and

WHEREAS, the Board finds that it is in the best interests of the Authority and its customers to expand the CAP to retail sewer service charges;

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager is authorized to expand the Customer Assistance Program (CAP) in accordance with all applicable notice provisions, to retail sewer service charges.
2. The General Manager is further directed to insure that the CAP is applied to retail sewer service charges in the same manner as the CAP is applied to water service charges.
3. This resolution shall become effective immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008

Subject: Authority to the General Manager to Deposit, as an Interim Step, the amount of the Series 2003 Subordinate Debt Service Reserve Requirement in the Series 2003 Subordinate Debt Service Reserve Account

**#08-66
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 July 3, 2008, 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, in connection with the Authority's original issuance in August 2003 of its Public Utility Subordinated Lien Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), the Authority determined to fund its Series 2003 Subordinate Debt Service Reserve Requirement by depositing in the Series 2003 Subordinate Debt Service Reserve Account a municipal bond debt service reserve fund policy ("Surety Policy") issued by Financial Guaranty Insurance Company ("FGIC").

WHEREAS, at the time the Series 2003 Bonds were issued, FGIC had a "AAA" credit rating and thus the Surety Policy satisfied the requirements for a "Qualified Reserve Credit Facility" specified in the Fourth Supplemental Indenture of Trust, dated as of August 12, 2003, relating to the issuance of the Series 2003 Bonds.

WHEREAS, FGIC has been downgraded by all three rating agencies to below investment grade, and therefore the Surety Policy no longer meets the requirement established under the Master Indenture of Trust, dated as of April 1, 1998, that FGIC have a credit rating in one of the two highest rating categories by two rating agencies.

WHEREAS, to address FGIC's downgrade, the Authority has determined that it will be necessary either to provide a substitute credit facility from a provider that satisfies the credit rating requirements of the Master Trust Indenture or to deposit cash in the amount of the Series 2003 Subordinate Debt Service Reserve Requirement in the Series 2003 Subordinate Debt Service Reserve Account.

WHEREAS, before a recommendation can be presented to the Board for its consideration regarding which of the options available to the Authority would be the most advantageous to implement, the Authority will have to receive bids from providers of credit facilities and undertake an analysis of the costs and benefits of each option.

WHEREAS, the Board has determined to grant authority to the General Manager to deposit, as an interim step, the amount of the Series 2003 Subordinate Debt Service Reserve Requirement in the Series 2003 Subordinate Debt Service Reserve Account should the need to do so arise before the Board has had an opportunity to select a long-term solution.

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager is authorized to deposit a not to exceed amount of \$17,700,000 for the Series 2003 Subordinate Debt Service Reserve Requirement in the Series 2003 Subordinate Debt Service Reserve Account upon his determination, based on the advice of the Authority's General Counsel and bond counsel, that such action is required to comply with the applicable requirements established under the Master Indenture and the Fourth Supplemental Indenture.
2. This resolution shall take effect immediately.


Secretary to the Board of Directors

Presented and Adopted: July 3, 2008
SUBJECT: Election of Vice-Chairperson

#08-67
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (the “Authority”) at its meeting on July 3, 2008, decided by a vote of ten (10) in favor and none (0) opposed, to record the election of Dan Tangherlini as Vice-Chairperson:

WHEREAS, the Board desires that the office of Vice-Chairperson shall rotate among the members from the suburban jurisdictions and the District of Columbia (Resolution #07-63, dated July 5, 2007); and

WHEREAS, pursuant to the By-Laws, section 4.02, the Chairperson of the Board, Robin Martin, appointed District of Columbia Principal Member Alan Roth; and Prince George’s County Principal Member Jacqueline F. Brown; and Montgomery County Principal Member Timothy Firestine; and Fairfax County Principal Member Anthony Griffin; and himself to the Nominating Committee; and

WHEREAS, the Nominating Committee has nominated Dan Tangherlini, Principal Board Member from the District of Columbia to serve as Vice-Chairperson of the Board of Directors; and

WHEREAS, an election was held on July 3, 2008 with Dan Tangherlini having received ten (10) votes of the ten (10) votes cast.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Nominating Committee having fulfilled its obligations, the Board of Directors of the District of Columbia Water and Sewer Authority hereby elects the following individual to serve as Vice-Chairperson:

Dan Tangherlini, Principal – District of Columbia

NOW THEREFORE BE IT FURTHER RESOLVED THAT:

1. The Board also expresses its gratitude to Anthony Griffin for his service.

This resolution is effective immediately.


Secretary to the Board of Directors