

Presented and Adopted: September 6, 2007
SUBJECT: Final Water and Sewer Service Rates & Right of
Way/PILOT Fee For Fiscal Year 2008

#07-66
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 September 6, 2007 decided by a vote of six (6) in favor and none (0) opposed, to approve the following action with respect to proposed retail rates for water and sewer service and the right of way/payment in lieu of taxes (PILOT) 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 a large one-time rate increase; 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, on February 23, 2007, the Authority published notice of a proposed rulemaking (54 DCR 1690) which, if adopted, would increase the rate for retail metered water service from \$2.03 per One Hundred Cubic Feet of water used to \$2.18 per One Hundred Cubic Feet of water used, effective October 1, 2007; and

WHEREAS, in the same notice, the Authority published notice of a proposed rulemaking (54 DCR 1690) which, if adopted, would increase the rate for retail sanitary sewer service from \$3.06 per One Hundred Cubic Feet of water used, to \$3.29 per One Hundred Cubic Feet of water used, effective October 1, 2007; and

WHEREAS, in the same notice, the Authority published notice of proposed rulemaking (54 DCR 1688) which, if adopted, would increase the Right of Way Occupancy Fee Pass Through Charge/Pilot Fee from \$0.44 per One Hundred Cubic Feet of water used to \$0.47 per One Hundred Cubic Feet of water used, effective October 1, 2007; and

WHEREAS, the comment period on the notice of proposed rulemaking for retail water and sewer rates and the Right of Way Occupancy Fee Pass Through Charge/Pilot Fee and the Metering Fees for fire service meters ended on March 22, 2007; and

WHEREAS, the Authority published a public hearing notice in the D.C. Register on May 25, 2007 (54 DCR 5274), which described the same rate and fee proposals referred to above; and

WHEREAS, a notice of public hearing on the rate and fee proposals was published on the Authority's website and also in several local newspapers including: the Washington Post on May 31, June 7, and June 11, 2007; the Washington Times on June 6 and June 12, 2007; and other community newspapers; and

WHEREAS, on June 13, 2007, a public hearing was held to receive comments on the rate and fee proposals; and

WHEREAS, the Authority also conducted six (6) community meetings from April through June to receive comments on the rate and fee proposals; and

WHEREAS, the record of the June 13, 2007 public hearing was left open to receive written comments for a period of 30 days through July 12, 2007; and

WHEREAS, comments were received before, during and after the June 13, 2007 public hearing; and

WHEREAS, the Retail Rates Committee met on July 25, 2007 to consider the comments offered at the June 13, 2007 public hearing, comments received during the open record period, and during the comment period of the proposed rulemaking and recommendations from the General Manager regarding action on the proposed rate and fee changes; and

WHEREAS, the Retail Rates Committee has considered comments made at the June 13, 2007 public hearing, during the open record period and during the comment period of the proposed rulemaking and the General Manager's report on the matter which sets forth the basis for the proposed rate and fee adjustments; and

WHEREAS, given the revenue requirements of the Authority, anticipated expenditures and potential federal funding the General Manager recommended a rate increase of approximately 6%; and

WHEREAS, upon consideration of the comments offered at the public hearing and during the comment periods, the Retail Rates Committee made a recommendation to raise rates by six percent (6%), given the revenue

requirements of the Authority, anticipated expenditures and potential federal funding; and

WHEREAS, after consideration of the recommendation of the Retail Rates Committee, the report of the General Manager on this subject and public comments at the June 13, 2007 public hearing and during the comment period of the proposed rulemaking and open record period, the District members of the Board of Directors, upon further consideration and discussion, recommended a rate increase of five and one half percent (5.5%).

WHEREAS, adoption of a rate increase of approximately five and one half percent (5.5%) would increase the average residential customer's monthly bill by approximately \$2.58 per month or \$30.96 per year; and

WHEREAS, the increase in water and sewer rates would result in a combined water and sewer rate that approximates 75 cents per 100 gallons of metered water; and

WHEREAS, the final rules and rates adopted by the Board would:

1. Provide for a Fiscal Year 2008 increased revenue requirement from retail rates of approximately \$8.7 million and an increased revenue requirement from the right of way / PILOT fee of approximately \$0.9 million;
2. Implement a retail rate increase of approximately five and one half percent (5.5%) for Fiscal Year 2008, effective October 1, 2007; and

NOW THEREFORE BE IT RESOLVED THAT:

The Board finds that the Authority's projected expenditures require that it adopt a rate increase of approximately five and one half percent (5.5%) with the following changes in retail water and sewer rates:

1. Revise retail water rates as follows:
 - A. Increase the rate for water service from \$2.03 per One Hundred Cubic Feet of water used, to \$2.14 per One Hundred Cubic Feet of water used, effective October 1, 2007;
2. Revise retail sewer rates as follows:
 - A. Increase the rate for sewer service from \$3.06 per One Hundred Cubic Feet of water used, to \$3.23 per One Hundred Cubic Feet of water used, effective October 1, 2007;

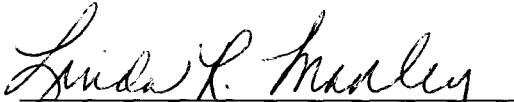
3. Revise the right of way/PILOT fee as follows:

- A. Increase the fee for right of way / PILOT from \$0.44 per One Hundred Cubic Feet of water used, to \$0.47 per One Hundred Cubic Feet of water used, effective October 1, 2007.

NOW THEREFORE BE IT FURTHER RESOLVED THAT:

1. The General Manager shall publish a notice of final rulemaking that is consistent with the intentions expressed in this resolution.
2. The General Manager is authorized to take all actions as may be required to insure that the final regulations conform to the publication requirements of the Office of Documents.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 6, 2007
SUBJECT: Annual Leave Conversion Program

#07-67
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 on September 6, 2007, decided by a vote of eleven (11) in favor and none (0) opposed to take the following action:

WHEREAS, the Authority provides annual leave to employees; and

WHEREAS, many employees lose annual leave due to carryover limitations; and

WHEREAS, implementing the incentive described will allow employees with an opportunity to deposit unused annual leave into a sick leave bank or convert excess annual leave into sick leave; and

WHEREAS, it is in the best interest of the Authority to authorize the General Manager to implement a program that includes the following elements:

- Allow nonunion employees to donate excess annual leave to a sick leave bank.
- Allow Post-1987 nonunion employees to convert excess annual leave into sick leave.

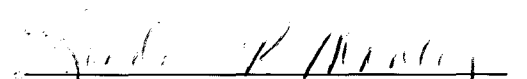
WHEREAS, in order to be eligible for the program the employee must have leave in excess of the maximum carryover limit; and

WHEREAS, on July 24, 2007, the Human Resources and Labor Relations Committee reviewed the above described annual leave conversion program and has recommended approval.

NOW THEREFORE, BE IT RESOLVED THAT:

The General Manager is authorized to take all actions necessary to implement an annual leave conversion program that is consistent with the intentions expressed in this resolution.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 6, 2007
SUBJECT: Approval of Recruitment and Retention Incentives Program

#07-68
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 on September 6, 2007, decided by a vote of seven (7) in favor and three (3) opposed to take the following action:

WHEREAS, the Authority has discretion to establish incentives; and

WHEREAS, the programs described herein will be an enhancement to the recruitment and retention benefits offered; and

WHEREAS, implementing the incentives described below will enhance the Authority's ability to attract and retain talented individuals in key nonunion positions; and

WHEREAS, it is in the best interest of the Authority to authorize the General Manager to implement recruitment incentive programs that include the following elements:

- A signing bonus not to exceed 10% of the salary being offered; \$20,000 maximum; and paid in three increments.
- Housing assistance in the form of down payment, closing cost, and/or subsidy, not to exceed \$25,000 and include a reimbursement clause.

WHEREAS, in order for a potential employee to be eligible for the recruitment incentives the potential employee shall be:

- Filling an executive level and/or hard-to-fill, scarce skilled position

WHEREAS, it is also in the best interest of the Authority to authorize the General Manager to implement a retention incentive program that includes the following elements:

- Dependent care subsidy for nonunion employees who participate in the Flexible Spending Account (FSA) with an employer match up to 50%, not to exceed the maximum allowable contribution amount.

WHEREAS, on July 24, 2007, the Human Resources and Labor Relations Committee reviewed the above described recruitment and retention incentive plans and has recommended approval.

NOW THEREFORE, BE IT RESOLVED THAT:

The General Manager is authorized to take all actions necessary to implement a recruitment and retention incentive program that is consistent with the intentions expressed herein.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 6, 2007
SUBJECT: Approval of Contract No. 070090
Capitol Paving of DC, Inc.

#07-69
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 September 6, 2007, 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. 070090, Capitol Paving of DC, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 070090, Capitol Paving of DC, Inc. The purpose of this contract is to replace the storm-water collection system and related infrastructure to reduce local area flooding. The contract amount is \$1,094,750.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 6, 2007
SUBJECT: Approval of Contract No. WAS-07-037-AA-JS
PB Consult

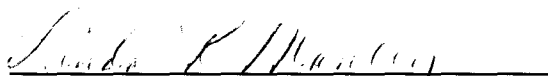
#07-70
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on September 6, 2007, 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. WAS-07-037-AA-JS, PB Consult.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. WAS-07-037-AA-JS, PB Consult. The purpose of this contract is to develop an Impervious Area Database for each and every land unit (lot or parcel) of real property and to develop a rate model based on an Equivalent Residential Unit (ERU) for single-family residential properties and on actual impervious area for all other properties. In addition, develop an interface with the existing DCWASA billing system, and to design and implement a business process to maintain and update the impervious area billing database. The contract amount is \$1,925,088.

This resolution is effective immediately.


Secretary to the Board of Directors