

Presented and Adopted: September 4, 2008

Subject: Approval of Video Production and Broadcasting of Board of Directors Public Meetings

**#08-68
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 the Board meeting held on September 4, 2008, upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) opposed, to approve video production and broadcasting of Board of Directors public meetings.

WHEREAS, in Resolution #07-77, adopted on October 4, 2007, the Board of Directors committed the Authority to a Public Information Policy intended to encourage openness and to foster trust among the Authority's stakeholders; and

WHEREAS, in that Resolution, the Board of Directors stated its commitment "to internal and external communications that provide accurate and thorough information about the Authority and its operations in a timely manner"; and

WHEREAS, in further pursuit of those objectives, the Customer and Community Services Committee has, for several months, considered and reviewed various options for live or taped webcasting and television broadcasting of Board of Directors meetings; and

WHEREAS, the Customer and Community Services Committee met on July 15, 2008, and considered cost estimates and other practical considerations associated with three options for such webcasting and broadcasting, and tentatively concluded that one of those options provided the Authority with the best combination of production quality, functionality, and cost efficiency, and that the estimated cost of that option can be accommodated in the revised FY 2009 budget and in the proposed budget for FY 2010.

WHEREAS, the General Manager exercises sufficient discretion to allocate the resources required to purchase the services and equipment necessary to establish, operate and manage a system to professionally broadcast DCWASA Board of Directors meetings in a manner consistent with the Public Information Policy and the Strategic Plan goals of achieving world class performance;

NOW THEREFORE BE IT RESOLVED THAT:

In FY 2009, the General Manager shall proceed with the purchase of necessary services, software, and hardware, to implement both webcasting (live and archived) and tape-delayed broadcasting of the Board of Directors public meetings held in the Boardroom, including video production, video streaming, video on demand, video archiving, video encoding, and other associated capabilities for the benefit of WASA and the public.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 4, 2008
SUBJECT: Approval of Change Order No. 21 of
Contract No. 020130, W.M. Schlosser Company, Inc.

#08-69
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 4, 2008 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed, to approve Change Order No. 21 of Contract No. 020130, W.M. Schlosser Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 21 of Contract No. 020130, W.M. Schlosser Company, Inc. The purpose of the change order is to remove four feet from temporary bulkhead TBH-2 and provide temporary power and start-up sluice gate 15 and 16. The change order amount is \$18,907.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 4, 2008
SUBJECT: Approval of Change Order No. 6 of
Contract No. 040140, Ulliman Schutte

#08-70
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 4, 2008 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed, to approve Change Order No. 6 of Contract No. 040140, Ulliman Schutte.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 6 of Contract No. 040140, Ulliman Schutte. The purpose of the change order is to accelerate demolition of SP-2 and SP-3 Motor Platforms to reduce construction time by several weeks. The change order amount is \$29,500.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 4, 2008
SUBJECT: Approval of Change Order No. 9 of
Contract No. 970099, WM Schlosser Company, Inc.

#08-71
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 4, 2008 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed, to approve Change Order No. 9 of Contract No. 970099, WM Schlosser Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 9 of Contract No. 970099, WM Schlosser Company, Inc. The purpose of the change order is to make modifications to the Washwater Pumps to increase operating efficiency and reduce O&M costs. The change order amount is \$165,886.01.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 4, 2008
SUBJECT: Approval of Option Year Four of Contract No.
WAS-04-024-AA-VW, Topflite Building Services

#08-72
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 4, 2008 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed, to approve Option Year Four of Contract No. WAS-04-024-AA-VW, Topflite Building Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-04-024-AA-VW, Topflite Building Services. The purpose of the option is to provide janitorial services at the designated Authority facilities. The option amount is \$576,282.00.

This resolution is effective immediately.


Secretary to the Board of Directors

PRESENTED AND ADOPTED: September 4, 2008
SUBJECT: Authority to Obtain a Letter of Credit for the Series 2003
Bonds – Subordinate Debt Service Reserve Account

#08-73
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 4, 2008, upon consideration of a joint-use matter, decided by a vote of eleven (11) 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”); and

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; and

WHEREAS, FGIC has been downgraded by all three rating agencies to below investment grade; and

WHEREAS, to address FGIC’s downgrade, the Authority has determined to obtain for Series 2003 Subordinate Debt Service Reserve Account a substitute credit facility and thereby enhance the security for the Series 2003 Bonds and, in so doing, clarify the funding requirements for that Account under the Indenture, as defined below; and

WHEREAS, the Authority has obtained a proposal dated July 15, 2008 and attached to this Resolution as Exhibit A (the “Proposal”) from TD Bank, N.A. (the trade name of Commerce Bank, hereinafter referred to as the “Bank”) to provide a direct pay letter of credit (the “Letter of Credit”) for the Series 2003 Subordinate Debt Service

Reserve Account that would provide for payment by the Bank of any amount that FGIC is obligated to make under the Surety Policy but fails to make; and

WHEREAS, in connection with the Authority's proposed obtaining of the Letter of Credit, there has been presented at this meeting a draft of the Ninth Supplemental Indenture of Trust (the "Ninth Supplemental Indenture") between the Authority and Wells Fargo Bank, N.A. , as Trustee (the "Trustee"), amending and supplementing the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture") as previously amended and supplemented (the "Indenture"), between the Authority and the Trustee to reflect the Authority's obtaining of the Letter of Credit for the Series 2003 Subordinate Debt Service Reserve Account and to provide for draws thereon and reimbursement of the Bank for draws thereon; and

WHEREAS, the Board has determined that the Authority's obtaining the Letter of Credit on the terms on which the Bank has agreed to provide it in the Proposal serves the Authority's best interests;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Authority is authorized to obtain the Letter of Credit with a five-year Facility Term from the Bank for the Series 2003 Subordinate Debt Service Reserve Account on the terms on which the Bank has proposed to provide the Letter of Credit in the Proposal.
2. The Chairman and Vice Chairman of the Board and the General Manager and Acting Chief Financial Officer of the Authority (collectively, the "Authorized Officials") are, and each of them is, authorized in connection with the obtaining of the Letter of Credit to execute, acknowledge and deliver in the name and on behalf of the Authority, the Ninth Supplemental Indenture in the form thereof presented at this meeting, but with such changes therein that are consistent with the Indenture and with this Resolution as may be approved by the Authorized Officer or Officers executing the document on behalf of the Authority, and the approval of any such changes shall be conclusively evidenced by the execution of the document by an Authorized Official. The Authorized Officials are, and each of them is, hereby further authorized in connection with the obtaining of the Letter of Credit to execute, acknowledge and deliver in the name and on behalf of the Authority a Reimbursement Agreement between the Authority and the Bank that is consistent with the Indenture, this Resolution and the Proposal as may be approved by the Authorized Officer or Officers executing the document on behalf of the Authority, whose approval thereof shall be conclusively

evidenced by the execution of the document by an Authorized Official, and to execute, acknowledge and deliver in the name and on behalf of the Authority such other agreements, certifications and documents and to take such other actions as they determine to be necessary and appropriate for the purpose of giving effect to this Resolution.

3. This resolution shall take effect immediately.


Secretary to the Board of Directors

Presented and Adopted: September 4, 2008
SUBJECT: Approval of Contract No. DCFA #415-WSA
Delon Hampton & Assoc.

#08-74
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 4, 2008 upon consideration of a joint use matter decided by a vote of eleven (11) in favor and none (0) opposed, to approve Contract No. DCFA #415-WSA, Delon Hampton & Assoc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #415-WSA, Delon Hampton & Assoc. The purpose of the contract is to provide engineering and related services required for assessing, rehabilitating, upgrading and otherwise improving the Authority's sanitary, combined and storm water conveyance systems and appurtenances. The contract amount is \$12,600,000.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: September 4, 2008
Subject: Approval to Revise the Resolutions for Implementing the
Lead Service Line Replacement Policy

#08-75
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 September 4, 2008, upon consideration of a non-joint use matter decided by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to revising the implementation of the policy on the replacement of lead service lines in the District of Columbia (“the District”).

WHEREAS, the Board, pursuant to the revised Lead Service Line Replacement Policy (“LSLR Policy”) in resolution #06-27, resolved to review the LSLR Policy biannually to review the performance to date, to determine whether any adjustments need to be made in light of the experience, and to implement any changes to policy or practice in this regard; and

WHEREAS, the Ad-Hoc Committee on Drinking Water Quality (“the Ad-Hoc Committee”) reviewed the LSLR policy according to resolution #06-27, to review appropriate information and provide recommendations to the Board considering public health protection and cost-efficiency; and

WHEREAS, the Authority has secured expert advice from the U.S. Environmental Protection Agency (“the EPA”) and health experts, and has conducted a public outreach campaign in the District to discuss potential changes to the Board’s LSLR Policy, which included: five community meetings, one stakeholder meeting, two neighborhood meetings, numerous presentations at other meetings, and meetings with editorial boards and staff of elected officials, as well as multiple hearings on the topic conducted by the committees of the District of Columbia Council and the U.S. Congress; and

WHEREAS, the District of Columbia Board members conducted a formal public hearing and heard from the public and experts from the EPA and the George Washington School of Public Health; and the Board has received and considered comments from the public concerning the Board's review of the LSLR Policy; and

WHEREAS, the Board recognizes that the District Department of the Environment will oversee a comprehensive independent peer-reviewed water quality study of the District's water system from source to tap, with the Authority's participation, the results of which will not be available for an indefinite period of time, and that all resolutions and decisions on LSLR will be subject to revision based on the results and conclusions of the report; and

WHEREAS, the General Manager has presented to the Ad-Hoc Committee on Drinking Water Quality a series of recommendations concerning the LSLR Policy in a presentation, a copy of which is attached hereto as Attachment A, and that the Ad-Hoc Committee has reviewed the presentation and made recommendations consistent with this resolution to the Board; and

THE BOARD OF DIRECTORS NOW THEREFORE RESOLVES THAT:

- 1. Resolutions #04-60 and #06-27 are suspended indefinitely until and unless the Board takes further action.**
- 2. Lead service lines will continue to be replaced in conjunction with water main replacement/rehabilitation activities, providing specific information about the risks related to partial replacements to any customer not undertaking a full replacement and additional mitigation efforts to help address such risks.**
- 3. Lead services will be replaced where the owner agrees to participate and pay for the private side replacement, or where the private side is already non-lead in advance of paving undertaken by the District Department of Transportation.**
- 4. The Authority will continue test pitting or use of equivalent techniques to identify and resolve all unknown water service lines.**
- 5. Where a customer is replacing the private portion of a lead service line, at the customer's request, the Authority will replace the lead service line in public space with funds allocated in the annual budget of the Authority for**

this purpose, provided the customer is not required by any provision of law to replace the public space portion of the service line.

6. The General Manager is to implement this resolution, and is to review the financial impact of the actions resulting from this resolution.
7. The General Manager is to provide the Board no later than January 2011 of any reasons that may have arisen, including the results of the independent water quality study, for updating, revising, or amending any aspect of this or related resolutions.

This resolution is effective immediately.


Secretary to the Board of Directors

District of Columbia Water and Sewer Authority

Lead Service Replacement Program Options and Recommendation

*Presented to
Ad-Hoc Water Quality
Committee Meeting
Monday June 30th, 2008
Thursday, July 17th, 2008*



Presentation Overview

- **Existing BOD Policy (Resolutions)**
- **Status of the current program**
- **What we have learned**
- **Health considerations**
- **Public outreach report**
- **Alternatives for consideration**
- **Recommendation**
- **Plan to re-allocate savings from the lead program**
- **Next steps**

Current WASA BOD Resolutions Summary

#04-39 Private replacement fees

Established private side replacement fees, and arranged for loan facilitation.

#04-51 Ratifies Administrative Order from EPA

#04-60 LSR Policy

By 2010 remove the then estimated 23,000 lead service lines.

#04-61 Revised private replacement fees policy

#06-27 Revised LSR Policy

By 2016, remove all remaining lead service lines above the originally estimated 23,000.

By 2015, test pit to identify materials of all "unknown" services.

Recommended changes in DC law to encourage private lead service replacement on property sale.

Status of current program As of 2nd Quarter of FY08

Completed 15,009 LSRs, of which;

- **9,289 Partial Replacements**
- **5,720 Full Replacements**
 - **Private Sides Replaced 2,242**
 - **Private Side Already Non-lead 3,478**

Total of 508,627 Feet of lead pipe replaced out of approximately 647,962 (78%) encountered.

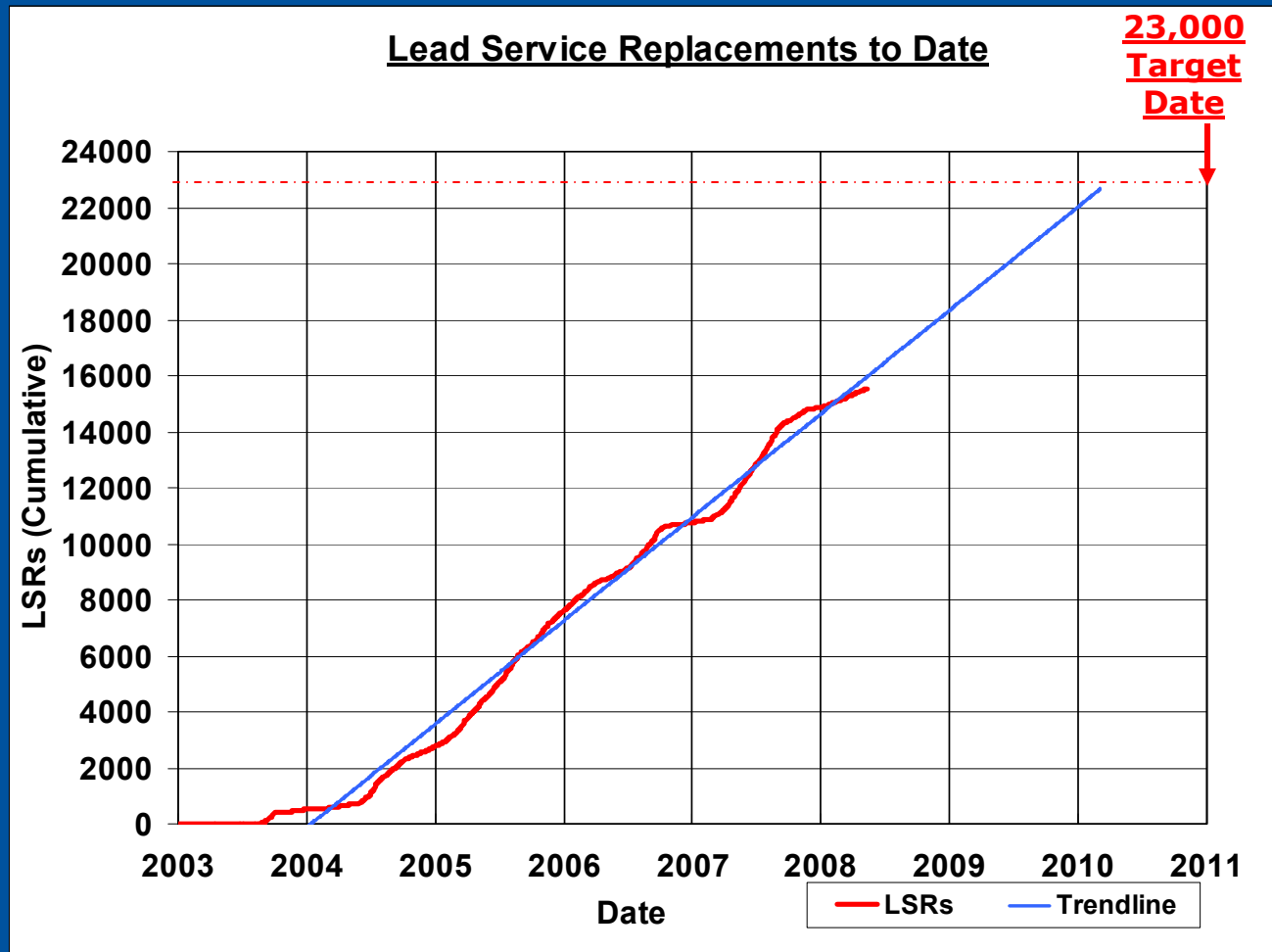
Remaining 22% represents lead pipe not replaced on private property due to home owners not participating.

Status of current program As of 2nd Quarter of FY08

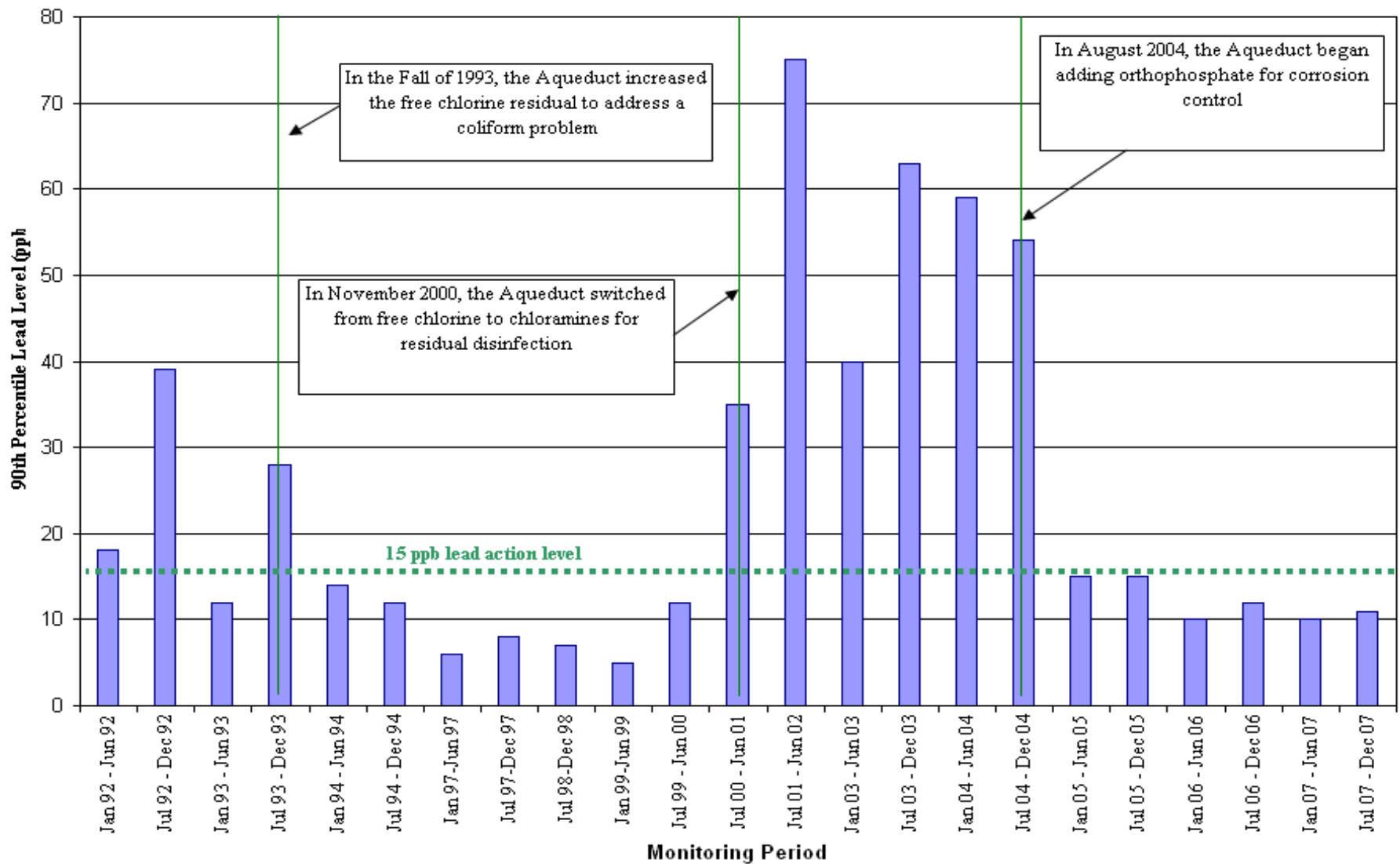
- **Cost to date \$109M.**
- **Cost to complete \$293M.**
- **Current Inventory:**
 - **16,585 Lead**
 - **23,436 Unknowns**

Status of current program As of 2nd Quarter of FY08

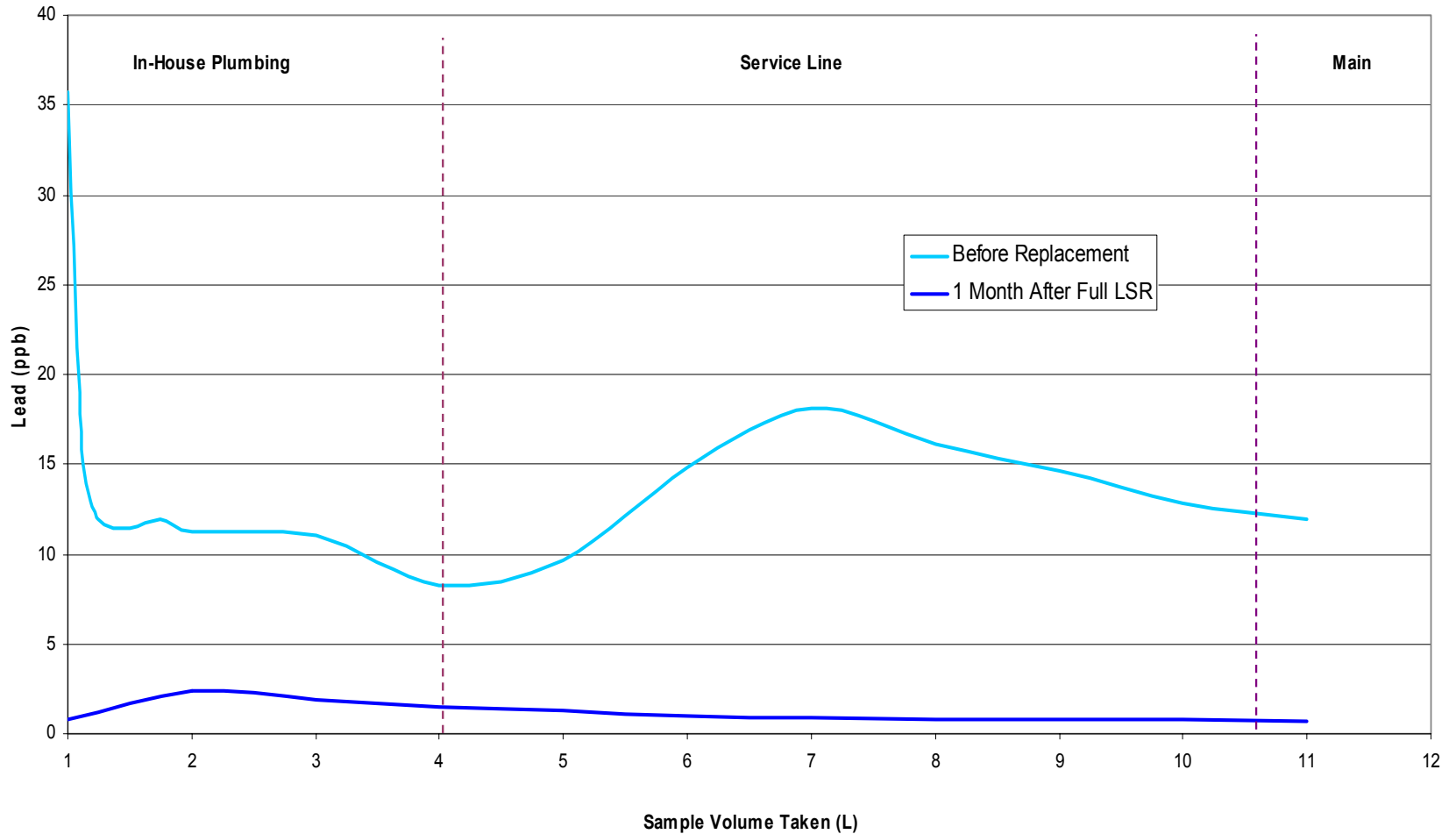
On target to reach the Board Of Directors
Goal of 23,000 by the end of 2010.



Lead Level History



Lead Profile Full Replacement



Full LSR Replacement Results

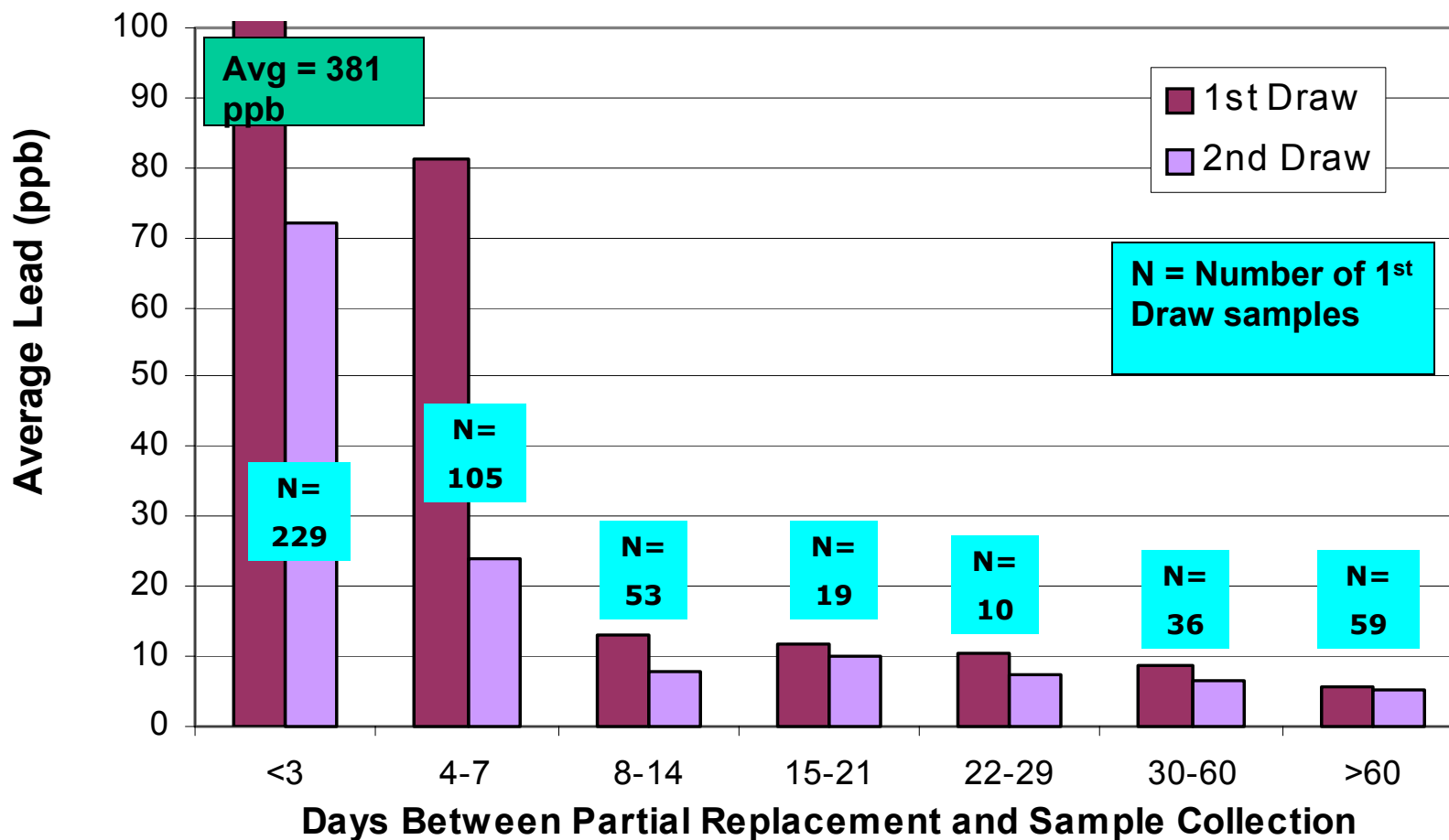
35 full replacement dataset from 2006
Samples collected during 2008 study

Sample Results (ppb)

	90 th Percentile	Median Value	Average
1st Draw	4	1	1
2nd Draw	1	0	1
3rd Draw	0	0	0

Lead Levels After Partial Lead Service Line Replacement (PLSR)

Partial Lead Service Line Replacement Sampling 2006 Data



LCR AND PLSR DATA COMPARISON

Program	90 th percentile	Median	Avg
LCR Compliance Data 2006-2007 (104 samples)			
1st Draw	12 ppb	3 ppb	6 ppb
2nd Draw	10 ppb	3 ppb	7 ppb
Partial LSR Study Data collected in 2008 (≈ 75 samples)*			
1st Draw	12 ppb	2 ppb	5 ppb
2nd Draw	16 ppb	2 ppb	5 ppb
3rd Draw	3 ppb	1 ppb	2 ppb

* Sample pool comprises homes that tested ≥ 15 PPB immediately after 2006 PLSRs (90th percentile was interpolated using EPA approved method)

LCR Compliance Data Before and After a Partial Replacement

Home	Average Lead Level (ppb)			
	Before	After	Decrease	Increase
A	32	15	17	
B	6	137		131
C	6	7		1
D	2	4		2
E	5	5	0	0
F	7	3	4	
G	4	1	3	
H	12	3	9	
I	6	2	4	
J	4	0	4	
K	4	1	3	
L	22	8	14	
M	3	9		6

Data are from 1st and 2nd draw samples

House "B" contained elevated iron levels

House "M" was collected 7 days after replacement

What Have We Learned?

Water treatment continues to be an effective method of reducing lead levels in service lines

Full LSR is an effective method of reducing lead at the tap by:

- **Removal of a direct source of lead released into the water**
- **Removal of a lead seeding source to downstream piping and appurtenances.**

Impact of partial lead service line replacements in reducing lead levels at the tap vary by home.

- **Many homes observed a temporary increase in lead levels immediately after a partial replacement.**
- **Research shows that increase typically lasts for less than 2 weeks.**

Effectiveness of flushing recommendations are confirmed based on PLSR 3rd draw sample results.

Galvanized plumbing may be a contributory factor to elevated lead levels in some homes but more research on a local and national level is needed.



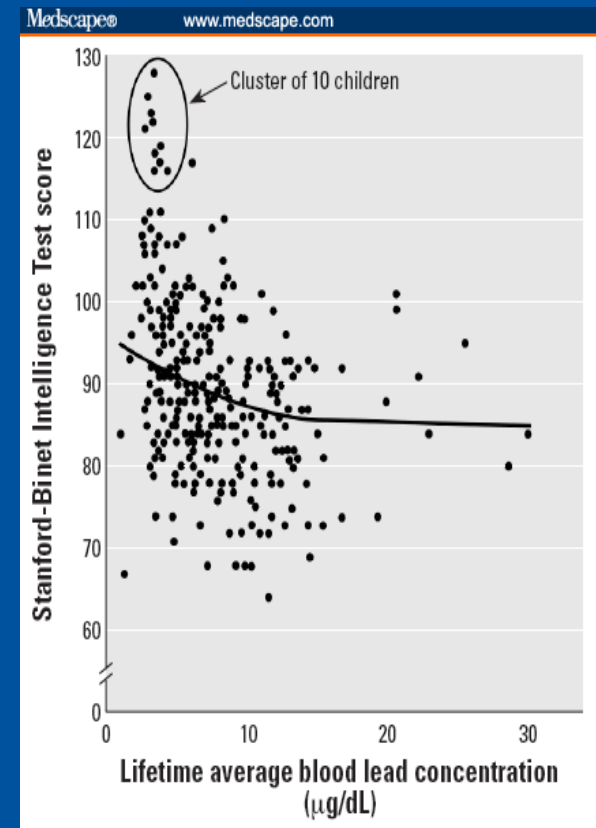
Health Considerations

Why is Lead a Health Concern?

Recent studies have changed perspective:

- ◆ Neurodevelopmental effects drive issue.
- ◆ Manifested as lower intelligence (IQ), impulsive behavior
- ◆ “No threshold” observation: “first molecule”
- ◆ Effect may be disproportionate at lower exposure levels.
- ◆ This is why so much attention is now given to all sources.

Overall, drinking water is a minor source of intake.



Source: Environ Health Perspect © 2004 National Institute of Environmental Health Sciences

Background

Blood lead levels (BLL) in children have been going down in US for decades.

- ◆ US geometric mean 1.6 $\mu\text{g}/\text{dL}$
- ◆ DC geometric mean 2.3 $\mu\text{g}/\text{dL}$

Residual levels (not elevated BLLs) in DC driven by:

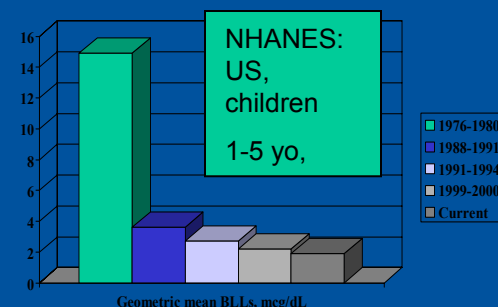
- ◆ Legacy of leaded gasoline
- ◆ Legacy of lead paint in dust
- ◆ Secondary sources
- ◆ Food
 - Drinking water? That is the question.

However, frequency of elevated BLL (>10 $\mu\text{g}/\text{dL}$) in DC remains high:

- ◆ Approximately 200 cases/y BLL out of 36,500 children <6 yo, consistent until about 2004.
- ◆ Reduced to about 150 in recent years.

All source lead (e.g. dust) exposure tends to drive the mean for the population.

Opportunity for contact with lead paint or lead-containing toys drives the frequency of elevated BLL.



The US Centers for Disease Control recommends a target blood lead level of 10 $\mu\text{g}/\text{dL}$ for children under the age of 6 to protect children from the adverse effects of lead.

This recommendation has now been supplemented by guidance recommending management of BLL at lower levels, because risk of neurodevelopmental effects is continuous.

Conclusions

Weight of evidence:

Lead in drinking water under circumstances encountered in DC incident did not appear to be associated with elevated BLL on a population or individual basis.

This does not necessarily mean that lead in drinking water is insignificant.

- ◆ Levels encountered may not have been sufficiently high for an effect.
- ◆ Intake and personal exposure is not reflected by sampling protocol under LCR. (However, LCR is an overestimate of personal exposure.)
- ◆ Public health interventions may have prevented an effect from appearing.
- ◆ Desirable to reduce lead exposure from any source.

If exposure is very low or absent, there are no public health implications to any option.

Public Outreach Report

Informational Meetings & Briefings (Jan – May 2008)

- Four quadrant meetings.
- One public hearing.
- One stakeholder meeting.
- Two neighborhood meetings.
- Editorial Boards & Elected Officials (staff).

Public Notification

- Citywide and community newspaper ads.
- Notification flyers - ANC meetings & community-based listservs.
- Articles in "What's on Tap" newsletters & WASA website postings.

A vertical graphic on the left side of the slide showing a splash of water with bubbles and ripples, set against a blue background. The splash is oriented vertically, with the top of the splash near the top of the slide.

Concerns/comments from the public

- Questions regarding the effectiveness of partial replacements.
- Concern with spikes in lead after partial LSR.
- Continue current accelerated program.
- Continue LSR Program with full LSRs.
- Provide funding for private side LSRs.
- WASA needs to be more open with information.
- WASA outreach does not adequately convey information on health risks, thus owners do not participate in private side LSR.
- There needs to be more education provided by WASA to the public.
- Difficulties with WASA on program coordination.
- Satisfaction with how the work was done.

Program Alternatives for Consideration

- #1 - Continue current program 23,000 LSRs by 2010 (8,000 LSRs remaining) and \approx 35,000 by 2016.**
- #2 - Follow DDOT paving program, estimate complete by 2040.**
- #3 - Modified current program with replacement of only those services where owner agrees to participate or private side already non-lead (includes test-pitting to identify unknowns)**
- #4 - Modified current program with replacement of only those services where owner agrees to participate (does not include test-pitting to identify unknowns).**

Program Alternatives for Consideration

- #5 - Minimal program, (replace only when water mains are replaced). No private side replacements (as existed before 2004).
- #6 - Continuation of test pit program – to accomplish resolution of inventory “unknowns” by 2015. Does not include any actual LSRs.
- #7 - Options for response to customer initiated request for a full lead service replacement (outside of WASA planned program).
 - Individual Address - WASA would replace the public side, and coordinate the repaving, but petitioner would be responsible for repaving cost.
 - or
 - Block Project - Petitioner would be asked to coordinate with neighbors in the block, and if 50% agreed to participate in private side replacement, then WASA would replace public side and pay for repaving.

A maximum cost per year would be allocated in the LSR budget for this activity.

Program Alternatives for Consideration

#8 - Legislative options to accomplish full pipe replacement:

- District government (not WASA rate payer) or property owner pays for private side replacement.
- Repeal District Law 1-98, make entire service line the responsibility of the property owner.

#9 – Recommended Alternative:

- Replace with water main replacements
- Replace when customer agrees to participate (primarily in advance of DDOT).
- Pursue legislative agenda previously recommended.
- Continue customer water testing.
- Continue WASA relationships with GWU, WAD, and EPA.

LSR Programs in Other US Cities

City	Mandatory (7%) / Voluntary	City Pays for Full LSR	City Pays for Public Side	Homeowner Pays for Private	Homeowner Pays for Entire Service	Number of services	Annual cost	Comments	
Washington DC	Initially mandatory; however, now voluntary		X	X		~ 35,000 initially; ~ 16,600 remain, + 23,400 unknowns	~ \$24M	Ongoing	
Boston	Initially mandatory; however, now voluntary		X	X		1500 initially, ~ 1074 remain	~ \$300k - \$500k	Ongoing	
Providence	Mandatory		X	X		~ 25,600 initially, ~ 2800 replaced	\$15M, 1 st year	Ongoing	
Cincinnati	Voluntary		X	X		~ 100 per year	~\$200k	Ongoing	
St. Paul	Voluntary		X	X		~ 500 per year		Ongoing	
Louisville	Voluntary		X	X			~ \$2M	Ongoing; 2017 target	
Lansing	Voluntary (City is paying for private side LSLRs also.)	X				~ 14,000 initially; ~ 8,000 remain	~ \$6M	Ongoing; 2013 target	
Madison	Mandatory (City is replacing all lead services in lieu of implementation of optimized corrosion control)		X	X		~ 6000 initially; ~ 200 remain	~\$1M	Ongoing, (city ordinance <u>requires</u> homeowner to replace private side.)	
New York City	Mandatory (applies to 52 city buildings only)	<i>City determined that the building owner owns entire service line. City owns 52 buildings with lead services to be replaced.</i>							Ongoing. Homeowner owns entire service line
Philadelphia	No active program (No LCR violation)				X			Homeowner owns entire service line	

(1) From 2007 EPA SIDWIS query and follow-up telephone contacts

Program Alternatives for Consideration - Costs

Alternatives	Annual Cost (FY 09)	Disbursements FY09 thru FY16	Total Future Disbursements	Projected Completion Timeframe
1. Current Program	\$42 million	\$255 million	\$255 million	2016
2. In Advance of DDOT	\$34 million	\$113 million	\$207 million	2040**
3. Full LSRs only (private side participation and non-lead private, test-pit unknowns)	\$11 million	\$97 million	\$97 million (38% of remaining LSLs)	2016

** Majority of work completed by 2025

Program Alternatives for Consideration - Costs

Alternatives	Annual Cost (FY 09)	Disbursements FY09 thru FY16	Total Future Disbursements	Projected Completion Timeframe
4. Full LSRs only (private side participation only)	\$5 million	\$51 million	\$51 million (20% of remaining LSLs)	2016
5. Minimal program (as existed before 2004)	\$3 million	\$37 million	Unknown	2070
6. Test pit program	\$2 million	\$15 million	\$15 million	2015 (test-pits only)

Program Alternatives for Consideration - Costs

Alternatives	Annual Cost (FY 09)	Disbursements FY09 thru FY16	Total Future Disbursements	Projected Completion Timeframe
7. Homeowners request for LSR - set budget limit	\$2 million	\$18 million	Unknown	Indefinite
8. Legislative Options	N/A	N/A	N/A	N/A
9. Recommended Option	\$5 million	\$58 million	\$414 million (≈500 LSRs per year)	FY2050 (Approx.)

Recommended Program Goals

- **Maximize full replacements.**
- **Minimize partial replacements.**
- **Manage program and costs to ensure predictability.**

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Recommended Program Elements

- 1) Replace lead services in conjunction with water main replacements – not optional.**
- 2) Additionally, replace lead services when customer agrees to participate (primarily in advance of DDOT).**
- 3) Pursue legislative agenda previously recommended in resolution #06-27.**
- 4) Continue annual water testing at customer request.**
- 5) Continue WASA relationships with GWU, WAD, and EPA.**

A vertical graphic on the left side of the slide showing a splash of water with bubbles and ripples, set against a blue background. The splash is oriented vertically, with the top of the splash near the top of the slide.

Program Recommendation Element #1 **Replace lead services in conjunction with water main replacements**

- **Cost effective approach; paving performed as part of water main replacement.**
- **Outreach efforts to encourage coordinated private side replacements would be continued.**
- **Replaces all known lead services (public side) over 40 years.**
- **Estimated cost \$3 M per year (average cost thru FY09-16), total cost \$267 M over 40 years.**


Program Recommendation Element #2

Replace lead services when customer agrees to participate. Manage program for full replacements and cost predictability.

- **Selection of addresses similar to system currently in use:**
 - **Coordinate with DDOT Paving Plan.**
 - **Mail to all customers in geographically diverse blocks with Leads/Unknowns.**
 - **Schedule and test-pit replacements only of those willing to replace private side.**
- **Pre-established funding level suggested \$2 M annually.**

Program Recommendation Element #3 **Pursue legislative agenda previously recommended in Resolution #06-27**

- **Daycare centers** - require certification that service line is not lead as part of licensing.
- **Property sales #1** - require certified plumber inspection of service material, and disclosure of material type as part of sales closure documentation.
- **Property sales #2** - require documented elimination of lead service line on private property as part of any real property transfer.

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Program Recommendation Element #4 **Continue annual water testing at customer request**

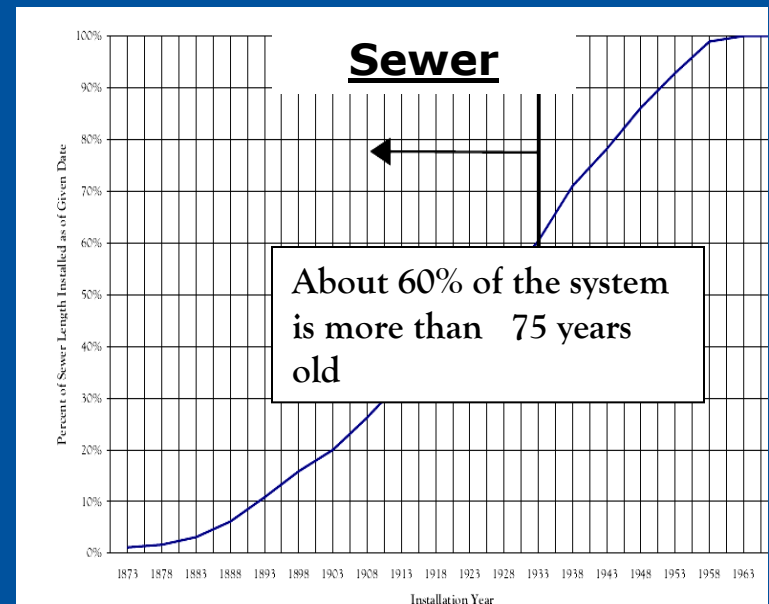
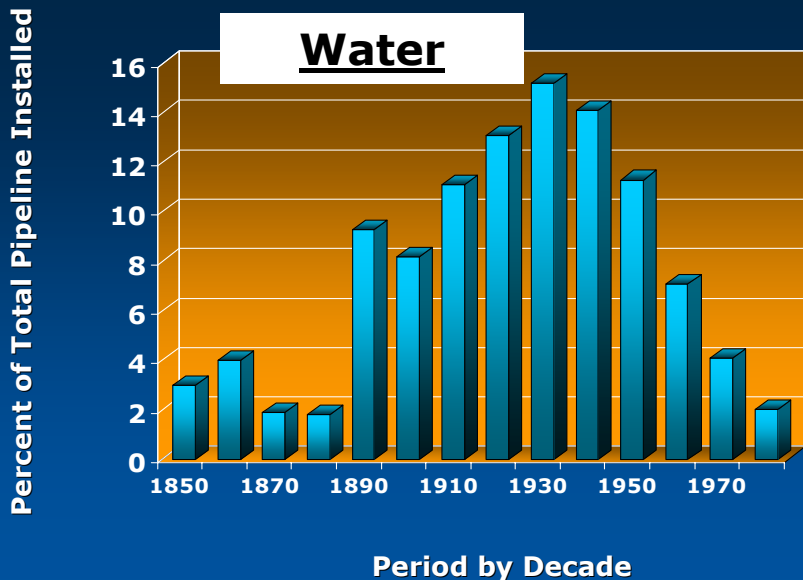
- **Customer initiated request (demand sample).**
- **Sample bottles delivered and picked up by WASA, customer collects sample.**
- **One test per house, per year.**

Program Recommendation Element #5

- **WASA will continue our relationship with GWU to provide:**
 - **Health advice.**
 - **Review of water quality research.**
 - **Risk communication.**
- **WASA will continue relationship with WAD regarding:**
 - **Pipe loop analysis.**
 - **Optimum corrosion control evaluation.**
- **WASA will continue to participate in research and studies on lead in drinking water.**
- **WASA will continue to work with EPA Technical Expert Working Group.**
- **WASA will continue a rigorous monitoring regime.**
- **WASA supports independent, comprehensive water quality review of water supply system (source to tap).**
- **WASA will accommodate DHCD grant and loans for low-income homeowners.**

Plan to re-allocate savings from lead program

- Significant water and sewer system capital needs.
- Options for consideration:
 - Small diameter water main replacements.
 - Sewer system needs assessment.



Plan to "Wrap Up" Current Program by End of FY08

- **Termination costs for contracts:**
 - **LSR-12*** can be closed out with no 'penalty' cost impact
 - **LSR-13*** and **14*** are estimated to reach >50% so no 'penalty' cost impact
- **Cost of remaining tasks for LSR PM:**
 - **Minimal costs**
 - **Closeouts/Document Archival**
- **Honor commitments currently made to public**.**
- **Complete all commitments regarding repaving**.**
- **Complete all commitments regarding private property restoration**.**

*Current construction contracts

**This work extends into FY09

A vertical graphic on the left side of the slide showing a splash of water with bubbles and ripples, set against a blue background. The water is white and translucent, creating a dynamic, energetic feel.

Next steps

- **Advance Management Recommendation to Full Board.**
- **Implement Transition Plan.**
- **Define Priorities for FY09 and FY10 Budgets.**



Presented and Adopted: September 04, 2008
SUBJECT: Final Water and Sewer Service Rates, Right of Way
and PILOT Fee For Fiscal Year 2009

08-76
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 04, 2008 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 and payment in lieu of taxes (PILOT) fee (a matter not affecting the general management of the 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, on May 9, 2008, the Authority published notice of proposed rulemaking (55 DCR 19) which, if adopted, would increase the rate for retail metered water service from \$2.14 per One Hundred Cubic Feet of water used to \$2.32 per One Hundred Cubic Feet of water used, effective October 1, 2008; and

WHEREAS, in the same notice, the Authority published notice of proposed rulemaking (55 DCR 19) which, if adopted, would increase the rate for retail metered sewer service from \$3.23 per One Hundred Cubic Feet of water used to \$3.51 per One Hundred Cubic Feet of water used, effective October 1, 2008; and

WHEREAS, in the same notice, the Authority published notice of proposed rulemaking (55 DCR 19) which, if adopted, would increase the Right of Way Occupancy Fee Pass Through/PILOT Fee from \$0.47 per One Hundred Cubic Feet of water used to \$0.52 per One Hundred Cubic Feet of water used, effective October 1, 2008; 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 June 8, 2008; and

WHEREAS, the Authority published a public hearing notice in the D.C. Register on May 16, 2008 (55 DCR 20), 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 June 5, 2008; Washington Times June 5, 2008; and other community newspapers; and

WHEREAS, on June 11 and 23, 2008, public hearings were held to receive comments on the rate and fee proposals; and

WHEREAS, the Authority also conducted five (5) community meetings from May 19 through May 29 to receive comments on the rate and fee proposals; and

WHEREAS, the record of the June 11 and 23 public hearings were left open to receive written comments for a period of 30 days through July 10 and July 22, 2008; and

WHEREAS, comments were received during the June 11 and 23, 2008 public hearings; and

WHEREAS, the Retail Rates Committee met on July 22, 2008 and September 4, 2008 to consider the comments offered at the June 11 and 23, 2008 public hearings, comments received during the 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 11 and 23, 2008 public hearings, 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 8%; 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 seven and one half percent (7.5%), 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 11 and 23, 2008 public hearings and during the comment period of the proposed rulemaking and open record period, the District members of the Board of Director's, upon further consideration and discussion, recommended a rate increase of seven and one half percent (7.5%); and

WHEREAS, adoption of a rate increase of approximately seven and one half percent (7.5%) would increase the average residential customer's monthly bill by approximately \$3.74 per month or \$44.88 per year; and

WHEREAS, the increase in water and sewer rates would result in a combined water and sewer rate that approximates 80 and 4/10 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 2009 increased revenue requirement from retail rates of approximately \$13.1 million and an increase revenue requirement from the right of way / PILOT fee of approximately \$1.7 million;
2. Implement a retail rate increase of approximately seven and one half percent (7.5%) for Fiscal year 2009 effective, October 1, 2008; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that the Authority's projected expenditures require that it adopt a rate increase of approximately seven and one half percent (7.5%) with the following changes in retail water and sewer rates:

Revise Water Service Rates

- a. An increase in the rate for retail metered water service from \$2.14 per One Hundred Cubic Feet ("Ccf"), to \$2.30 per Ccf, effective October 1, 2008.

Revise Sewer Service Rates

- b. An increase in the rate for retail sanitary sewer service from \$3.23 per Ccf to \$3.47 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 to the Office of the Chief Financial Officer (OCFO) of the District of Columbia - \$0.13 per Ccf

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager shall publish a notice of final rulemaking that is consistent with the intentions expressed in the 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 4, 2008
SUBJECT: Amended Proposed Customer Assistance Program Regulations

08-77
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 the Board meeting held on September 4, 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 proposed amendments to the Customer Assistance Program (CAP) regulations.

WHEREAS, in Resolution # 08-65, the Board authorized the General Manager to expand the Customer Assistance Program (CAP) to retail sewer service in the same manner as the CAP is applied to water service charges; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager shall amend the Customer Assistance Program (CAP) regulations to expand the CAP to retail sewer service charges in the same manner as the CAP is applied to water service charges, which shall contain the following revisions:

4102 CUSTOMER ASSISTANCE PROGRAM

4102.1 LIFELINE PROGRAM FOR HOUSEHOLDS AND TENANTS

- (a) Eligible households and tenants will receive an exemption from water service charges and sewer service charges of the first Four Hundred Cubic Feet (4 CCF) per month, of water consumption.

~~(b) No Exemption will be provided for sewer charges.~~

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish a Notice of Proposed Rulemaking in the District of Columbia *Register* for the amendments to the Customer Assistance Program regulations and initiate the public comment process 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