



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
198th MEETING OF THE BOARD OF DIRECTORS**

Thursday, May 1, 2014

9:30 a.m.

5000 Overlook Avenue, SW

Room 407

AGENDA

I. Call to Order (Chairman Allen Lew)

II. Roll Call (Board Secretary)

III. [Approval of April 3, 2014 Minutes](#) (Chairman Allen Lew)

IV. Chairman's Overview

V. Committee Reports

1. [Human Resources and Labor Relations Committee \(Ed Long\)](#)
2. [Water Quality and Water Services Committee \(Rachna Butani\)](#)
3. [Environmental Quality and Sewerage Services Committee \(Robert Hoyt\)](#)
4. [Audit Committee \(Ed Long\)](#)
5. [Finance and Budget \(Timothy Firestine\)](#)

VI. [General Manager's Report](#) (George S. Hawkins, General Manager)

VII. [Summary of Contracts](#)

VIII. Consent Items (Joint-use)

1. [Approval of Adoption of Collective Bargaining Agreement on Working Conditions - Resolution No. 14-16](#) (Recommended by the Human Resource and Labor Relations Committee 04/10/14)
2. [Approval to Execute a 90 day Extension to Contract No. WAS-10-008-AA-JB, Colonial Chemical Solutions, Inc. – Resolution No. 14-17](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
3. [Approval to Execute Option Year Two \(2\) of Contract No. WAS-12-007-AA-SH, Nutri-Blend, Inc. – Resolution No. 14-18](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
4. [Approval to Execute Option Year One \(1\) of Contract No. WAS-13-014-AA-RE, Tricon of Washington, DC, Inc. – Resolution No. 14-19](#) (Recommended by the Environmental Quality and Sewer Services Committee 04/17/14)
5. [Approval to Execute Contract No. 130240, Anchor Construction Corp. – Resolution No 14-20](#) (Recommended by the Environmental Quality and Sewer Services Committee 04/17/14)

6. [Approval to Execute a Contract Modification to Contract No. WAS-11-009-AA-MB, MB Staffing Services, LLC – Resolution No. 14-21](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
7. [Approval to Execute Contract No. DCFA #459-WSA, O'Brien & Gere/Arcadis Joint Venture – Resolution No. 14-22](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14 and Water Quality and Water Services Committee 04/10/14)
8. [Approval to Execute Contract No. DCFA #464-WSA, URS Corporation – Resolution No. 14-23](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14 and Water Quality and Water Services Committee 04/10/14)
9. [Approval to Execute Contract No. DCFA #461-WSA, Whitman, Requardt & Associates, LLP/Johnson, Mirmiran & Thompson, Inc. JV – Resolution No. 14-24](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14 and Water Quality and Water Services Committee 04/10/14)
10. [Approval to Execute Contract No. DCFA #462-WSA, Hazen and Sawyer Environmental Engineers & Scientists – Resolution No. 14-25](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
11. [Approval to Execute Change Order No. 18 of Contract No. 100120, PC/CDM Joint Venture – Resolution No. 14-26](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
12. [Approval to Execute Option Year Four \(4\) of Contract No. WAS-10-025-AA-RE, Kuehne Chemical Company, Inc. – Resolution No. 14-27](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
13. [Approval to Execute Contract No. 130020, Corman Construction, Inc. – Resolution No. 14-28](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
14. [Approval to Execute Contract No. WAS-12-020-AA-CE, U.S. Peroxide, LLC - Resolution No. 14-29](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14)
15. [Approval to Execute Contract No. 14-PR-CFO-01, McGladrey LLP – Resolution No. 14-30](#) (Recommended by the Audit Committee 04/17/14)
16. [Approval to Execute Contract No. 14-PR-CFO-02, TD Bank, N.A. – Resolution No. 14-31](#) (Recommended by the Finance and Budget Committee 04/24/14)
17. [Approval of 2014 Amended Revised “Statement of Investment Policy” – Resolution No. 14-32](#) (Recommended by the Finance and Budget Committee 04/24/14)

IX. Consent Items (Non-Joint Use)

1. [Approval to Execute Contract No. 130130, Environmental Design and Construction- Resolution No. 14-33](#) (Recommended by the Environmental Quality and Sewerage Services Committee 04/17/14 and Water Quality and Water Services Committee 04/10/14)

X. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹

XI. Adjournment

¹ The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Upcoming Committee Meetings (5000 Overlook Avenue SW (Blue Plains – 4th Floor)

- Governance Committee – Wednesday, May 14th @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Human Resources and Labor Relations Committee- Wednesday, May 14th @ 9:30 a.m. (5000 Overlook Avenue, SW)**(CANCELLED)**
- Environmental Quality and Sewerage Services Committee – Thursday, May 15th @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Water Quality and Water Services Committee – Thursday, May 15th @ 11:00 a.m. (5000 Overlook Avenue, SW)
- Finance and Budget Committee – Thursday, May 22nd @ 11:00 a.m. (5000 Overlook Avenue, SW)

REMINDER: Public Hearing on Proposed FY 2015 Retail Rate & Fee Increases – Wednesday, May 14, 2014 @ 6:30 p.m. (4058 Minnesota Avenue NE, Suite 1300 (Community Room)



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS**
*Human Resources and Labor Relations
Committee*
April 10, 2014
MEETING MINUTES

Committee Members Present

Edward L. Long, Chairman
Robert L. Mallett
Aubrey Thagard
Rachna Butani

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Rosalind Inge, (Acting) AGM, Support Svcs
Mustaafa Dozier, Director, Labor Relations
Linda R. Manley, Board Secretary

1. Call to Order

Edward L. Long, Jr., Chairman, called the meeting to order at 9:40 am. There were no regularly scheduled discussion topics for this meeting. The committee proceeded in executive session.

2. Executive Session

Executive session commenced at 9:42 a.m., to address personnel matters pursuant to DC Official Code Section 2-(575(b)(10).

The executive session ended at 10:19 am.

The Committee reconvened into open session.

3. ACTION ITEM

The Committee is recommending the DC Water working condition agreement with AFSCME Local 2091 to the full Board for approval at the May 1, 2014 meeting.

4. Adjournment

There was a motion to adjourn at 10:22 am.

FOLLOWUP ITEM(S):

Provide Committee with a presentation on the Authority's workforce profile. Such a presentation should include information on employee demographics, the number of retirement age employees, and other relevant information regarding the composition of the Authority's workforce.

The Committee requested staff to provide a list of negotiation points prior to future contract discussions.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

**BOARD OF DIRECTORS
WATER QUALITY AND WATER SERVICES COMMITTEE**

**MEETING MINUTES
Thursday, April 10, 2014**

Present Board Members

Rachna Butani, Chair
Howard Gibbs (via phone)
Alan Roth (via phone)
Brenda Richardson (via phone)
Obiora “Bo” Menkiti (via phone)
Robert Mallett

Present D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Charles Kiely, Assistant General Manager,
Customer Care and Operations
Linda Manley, Board Secretary

I. Call to Order

Ms. Butani called the meeting to order at 11:02 am.

II. Water Quality Monitoring

A. Total Coliform Rule (TCR) Testing

Charles Kiely, Assistant General Manager for Customer Care and Operations, reported that for coliform testing, D.C. Water had zero positive samples for March and to date in April. This is the sixth month at zero.

B. Lead and Copper Rule Monitoring

Mr. Kiely indicated that in terms of the Optimal Corrosion Control (OCCT) and water treatment, D.C. Water is doing very well. They have collected 149 samples to date, and only 49 have been analyzed. The rest are still at the Washington Aqueduct. He reported that they are 3 parts per billion, which is good news.

III. Fire Hydrant Upgrade Program

Mr. Kiely indicated that through the end of March there are 75 out of service hydrants. They are defective and require repair or replacement. Fifty one hydrants are still out of service due to construction activities which are going on around the city.

The hydrant inspection program has started again. From December through February D.C. Water deals with water services issues due to weather. The inspection program begins again each year in March. There were no unusual out of service hydrants in the last month.

VII. Action Items

Five contracts were presented to the Committee for a recommendation to the Board. The first is a non-joint use contract Environmental Design and Construction, which is for improvements to the Ft. Reno Water storage reservoir that were recommended by EPA for sampling system improvements.

The next series of contracts are joint use and were brought before the Committee because they include work on both the water system and the sewer system. They were presented to the Environmental Quality and Sewerage Services Committee and the Water Quality and Water Services Committee for review. The first contract is O'Brien & Gere/Arcadis, a joint venture. This is a task order contract, cost plus fixed fee, and will be assigned to the contractor on a task order basis.

The second contract is similar to the previous contract for the Construction Management Branch which elected to have two contracts instead of one. It allows for the use of additional resources to manage the work. The selected contractor is the URS Corporation. Mr. Mallett asked whether they are able to use either contractor depending on the work they have. Ms. Butani wanted to know if they would go back and forth with each. Mr. McLaughlin, Director of the Engineering and Technical Services Department, stated that they would determine which contractor to use based on workload and on each contractor's strength.

The last two contracts are similar to those and are also to support the water and sewer infrastructure program. The first is Whitman, Requardt, and Associates and will be targeted toward water and sewer work on National Park Service property. The final contract is similar to the prior one and is an engineering service contract with Hazen and Sawyer, for engineering design and environmental assessment.

The Committee recommended the contracts for Board approval.

Mr. Roth mentioned two articles in the National Journal that reminded him of the Board's recent discussions about the potential impact of the Colonial pipeline beneath the Potomac River or the railroad bridge above it on the District's upstream water supply. Charles Kiely noted that there is an annual meeting of the Interstate Commission on the Potomac River Basin coming up and they will discuss sewerage water protection upstream specifically the Colonial pipelines.

The meeting was adjourned by Ms. Butani.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and
Sewerage Services Committee**

Thursday, April 17, 2014

9:30 a.m.

MEETING MINUTES

Committee Members Present

Robert Hoyt
David Lake
Brenda Richardson
Howard Gibbs
James Patteson
Adam Ortiz

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Len Benson, Chief Engineer
Alfonzo Kilgore Stukes, Executive Assistant

I. Call to Order

Mr. Robert Hoyt, Chairperson, called the meeting to order at 9:30 AM.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Walt Bailey, Assistant General Manager for Wastewater Treatment, reported that the monthly average influent flow was 319 MGD, up from the 12-month average of 291 MGD. 4.3-inches of precipitation fell during the March reporting period. Biosolids production was 1003 wet tons per day, compared with the monthly average production of 1094 wet tons per day. Total nitrogen concentration averaged 5.31 mg/l for the month, with a 12-month average of 4.3 mg/l. Overall plant performance was excellent, with 100% permit compliance.

In response to a Committee question regarding the increased energy use at Blue Plains, Mr. Bailey confirmed that the increase is a result of energy demand from the tunnel boring machine. This cost is paid for through the capital project. The Committee enquired as to whether the tunnel energy costs can be reported separately from other

Blue Plains uses. Mr. Bailey stated that tunnel project was separately metered and could be reported as such in future reports.

The Committee requested information on incorporating food waste material in the digestion process. Mr. Bailey stated his team is looking at experience from other plants and availability of waste material locally.

III. UPDATES: POTOMAC INTERCEPTOR SEWER

1. Odor Abatement Project

Mr. David McLaughlin, Director, Engineering and Technical Services, reported that construction continues at the two Virginia locations (Fairfax & Loudoun). Some delays in construction have been encountered at the Fairfax site, due to weather and sub-contractor performance; however both sites should be complete by late summer 2014. Testing of alternate carbon media for the location at Old Angler's Inn has been completed, and confirmed that a two stage system will be required to remove Dimethyl Sulfide at this location. Approaches to modify the system are being investigated, and in the interim testing of a counter acting agent capable of reducing odors will begin in the coming week.

IV. BIOSOLIDS DIGESTION-METHANE DISPERSION

Mr. Len Benson, Chief Engineer, presented a report on the phenomenon of rapid rise and methane dispersion in digesters. DC Water has reviewed the risks associated with the potential buildup of methane causing a rise in liquid levels in our digesters, and the potential for a release of methane at combustible concentrations to the atmosphere in the immediate vicinity of the digesters during a major rapid rise event. Mr. Benson explained known incidents in Michigan, Tennessee and Washington State and how DC Water has designed, installed and is utilizing unique control measures to negate those known risks. The control measures implemented include: increased headspace, larger diameter overflow piping, containment wells, video monitors, sensors and pressure relief valves.

Mr. Benson advised the Committee that as a result of new information developed during the design of the project, DC Water has determined that additional safeguards are needed to prevent methane release reaching potentially hazardous levels. These changes in the design of the project include modifications to the overflow piping to allow methane to be dispersed at higher elevations, and are included in contract Change Order 18 in the amount of \$880,000, which is included as an action item on the meeting agenda.

The Committee expressed concerns about impact of this issue on the community and whether an overflow of digested solids could contaminate surrounding waters. Mr.

Benson stated that the containment systems included in the design would prevent any overflow reaching the river, and that hazards related to methane release would be in the immediate vicinity of the digesters themselves. Mr. Benson informed the committee that emergency response plans will be in place, and that coordination with the fire department will ensure that hazards have been appropriately mitigated.

V. DC CLEAN RIVERS, MAIN PUMPING STATION DIVERSIONS DESIGN-BUILD PROCUREMENT

Christopher Allen, Assistant Director, Clean Rivers presented to the committee information on the procurement of the design-builder for the Main Pumping Station Diversions contract. Included in his presentation was an explanation of the procurement and contractor selection process, information on key team members and a project status update.

The Main Pumping Station Diversion contract will provide for design and construction of the structures needed to divert flow from the B St./New Jersey Ave. and Tiber Creek sewers to the Blue Plains tunnel. Four contractor teams competed for the project, with Corman Construction being selected as the contractor that presented the best value, including the lowest bid price. The contract amount is \$53 million, including contingencies needed to respond to potential changes in field conditions.

The Committee asked whether Board approval for the use of the contingency would be required. Mr. Allen replied that the contingency will be included in the contract amount and can be utilized only when the DC Water Contracting Officer directs its use, and that further Board approval would not be required.

In response to other questions from the Committee, Mr. Allen expanded on outreach meetings with the local community to discuss the project's construction impacts. Mr. Allen also noted that DC Water had brought in a nationally recognized water quality expert to meet with the District's Department of Environment (DDOE) over concerns that tunnel dewatering operations could result in possible contamination of aquifers. Mr. Allen believes these concerns have been allayed.

VI. ACTION ITEMS-JOINT USE

1. Contract No. WAS-11-009-AA-MB, MB Staffing Services, LLC
This is a contract modification for \$200,000 for temporary employment (staffing) services.
2. Contract No. DCFA #459-WSA, O'Brien & Gere / Arcadis JV
This is a \$15 million construction management services contract for rehabilitation or replacement of water and sewer pipelines, pumping stations and storage facilities.

3. Contract No. DCFA # 464-WSA, URS Corporation
This is a \$15 million construction management services contract for rehabilitation or replacement of water and sewer pipelines, pumping stations and storage facilities.
4. Contract No. DCFA #461-WSA, Whitman, Requardt & Assoc./Johnson, Mirmiran & Thompson, Inc Joint Venture. This is an engineering services agreement to provide engineering and environmental services for infrastructure and facilities projects, in the amount of \$8 million.
5. Contract No. DCFA #462-WSA, Hazen and Sawyer Environmental Engineers & Scientists. This is an engineering services agreement to provide engineering and environmental services for infrastructure and facilities projects, in the amount of \$8 million.
6. Contract No. 100120, PC/CDM Joint Venture
This is change order 18 to the Design-Build contract for the Biosolids Main Process Train to provide for methane dispersion presented earlier in the meeting. The change order amount is \$880,000.
7. Contract No. 130020, Corman Construction Inc.
This is the award of the Design-Build contract for the Main Pumping Station Diversion project presented earlier by Mr. Allen. The contract amount is \$53,321,798.
8. Contract No. 130240 Anchor Construction Corp
This is a contract valued at \$18,377,428.50 for sewer cleaning, repair and 24 hour emergency response.
9. Contract No. WAS-12-0200-AA-CE, Peroxide, LLC, Inc
This is a request to execute contract option year 2 valued at \$350,000 to furnish chemicals for the Potomac Interceptor. It was noted during the meeting that the Fact Sheet listed this as a Non-Joint Use matter when in fact it is a Joint-Use matter.
10. Contract No. WAS-12-007-AA-SH, Nutri-Blend, Inc
This is a request to execute option year 2 valued at \$7,662,750 to distribute recycled biosolids throughout the mid Atlantic region.
11. Contract No. WAS-10-025-AA-RE, Kuehne Chemical Company, Inc
This is a request to execute option year 4 valued at \$2,135,812 to supply Sodium Hypochlorite to Blue Plains.
12. Contract No. WAS-13-014-AA-RE, Tricon of Washington, DC, Inc
This is a request to execute option year 1 valued at \$1,866,800 for the supply and delivery of calcium quicklime to Blue Plains.

13. Contract No. WAS-10-008-AA-JB, Colonial Chemical Solutions, Inc
This is a request for contract modification valued at \$2,457,000 to provide a 90 day extension to a contract to provide methanol to Blue Plains.

Ms. Katy Chang, Acting Director, Procurement Services, presented joint use action items 1 and 9 through 13. Items 10 through 13 were added to the agenda and distributed to the Committee members at the meeting. The Committee questioned whether DC Water contracts typically included “rider” clauses that would allow other jurisdictions to take advantage of pricing provided to DC Water. Ms. Chang confirmed that this was the case.

Mr. Benson presented action items 2 through 8. The Committee asked for clarification on whether the cost of emergency work included in action item 8 was tracked separately. Mr. McLaughlin advised that the contract included line items for planned work as well as emergency work, and that the costs were accounted for separately. The Committee noted that it was not unusual for the same firms to win multiple engineering contracts, and questioned whether staff considered this issue during the procurement process. Mr. Benson replied that this was the case. The Committee requested a list of current engineering contracts with the names of the prime and sub-contractors, which Mr. Benson agreed to provide.

VII. CAPITAL SPENDING PROJECTION AND PROCESS

Mr. McLaughlin presented the committee with an overview of the capital spending and projection process. The purpose of the presentation was to explain the process used to estimate capital spending and what causes variances between actual spending versus the projections. Spending projections are based on the estimated start dates, finish dates and costs of over 3,600 cost loaded activities in the CIP master schedule. Mr. McLaughlin emphasized the importance of the various cost curves that are attributed to these CIP activities. The cost curve is the estimated disbursement profile, relating the cost of the activity to time.

Using an actual project example (Biosolids Final Dewatering Contract 2) Mr. McLaughlin demonstrated how changes in the cost curve can have dramatic impacts on spending projections. In this particular case, as in all large contracts, staff uses the actual construction schedule provided by the contractor to project spending. In a typical critical path schedule such as this, over 90% of the construction activities are non-critical – i.e. these activities can “float” in time without impacting the overall completion of the contract work. Mr. McLaughlin noted that as a result multiple spending projections can be derived from this one schedule, dependant on when these non-critical activities start and finish. Over the course of a fiscal year, this could produce a variation in spending of \$45 million on a \$78 million contract, without changing the scheduled completion date of the contract.

Mr. McLaughlin described the steps taken to consider this variability to the spending projection process, and noted that over the past five years actual spending averaged 92% of the projection for the year, compared to a performance goal of 85%. Mr. McLaughlin summarized the presentation by noting the importance of the spending projections for capital financing and rate setting, but cautioned that variations in spending when compared to initial projections are not accurate indicators of the health of individual projects or of the CIP as a whole.

VIII. OTHER BUSINESS/EMERGING ISSUES

Mr. Hawkins provided the Committee with an update on the public comment process related to the Consent Decree modification. The comment period has closed, and DC Water is reviewing the final comments received. Mr. Hawkins noted that some of the comments received indicated a preference for construction of both the tunnel facilities as well as the green infrastructure, which was disappointing given DC Water's emphasis on the affordability of the program in the proposed modification. On a more positive note, the proposed hybrid approach received strong support from the Washington Interfaith Network, which had initially been somewhat hostile to the proposal. Mr. Hawkins attributed this turnaround to the extensive interaction with this group during the rollout of the program.

The Committee asked about performance of the hybrid approach versus the current long term control plan with respect to water quality. Mr. Hawkins noted that overall performance was projected to be comparable.

IX. ADJOURNMENT

This meeting adjourned at 11:35 am

Follow-up Items

1. Report energy use for the tunnel operations separately from Blue Plains in future reports;
2. Provide a list of current engineering contracts with the names of the prime and sub-contractors;
3. Included a discussion of Hickey Run on a future Committee agenda;
4. Report on the LTCP Consent Decree modification process at the next Committee meeting.



**DISTRICT OF COLUMBIA
Water and Sewer Authority**

Audit Committee

**Thursday, April 24, 2014
9:30 a.m.**

Meeting Minutes

Committee Members Present

Edward Long, Vice Chairman, Fairfax County
Ellen Boardman, District of Columbia
Shirley Branch, Prince George's County
Robert Mallet, District of Columbia

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board
Mark Kim, Chief Financial Officer
Gregory Hope, Principal Counsel

Internal Audit Staff Present

Joe Freiburger, SC&H Group, LLC

Call to Order (Item 1)

The Audit Committee meeting began at 9:37 AM. The meeting was called to order by Mr. Long. Mr. Long then turned the meeting over to Mr. Freiburger to address the Audit status.

Review of Internal Audit Status (Item 2)

Mr. Freiburger began by discussing the status of internal audit activity since the February meeting. He noted that Internal Audit has performed work on a total of nine audit areas and one report was issued. Mr. Freiburger indicated that three audits are in the Draft report stage awaiting responses from Management before they are issued. He noted those three reports were, Outside Contractor Management – Part one, Sewer Services – Construction and Repair, and Emergency Management – Recovery. He also noted that five other audits are underway and are close to completion.

Mr. Freiburger went on to note that Outside Contractor Management has two parts due to the large number of contractors DC Water maintains. He also noted that the Emergency Management audit area has been divided into three sections (Emergency Management – Recovery, Emergency Management – Mitigation and Response, and IT – Disaster Recovery) due to the robust nature of the DC Water Emergency Plan.

Mr. Long asked if the IT – Disaster Recovery plan included all IT systems. Mr. Freiburger replied in the affirmative and indicated that Internal Audit would be verifying that all systems were covered and tested.

Mr. Freiburger noted that the Procurement audit planned for the third quarter was postponed due to a review of the Procurement operations being performed separately by Veolia. Ms. Boardman inquired if this audit was a separate line item in the Annual Plan specifically for the Procurement Department, or if it was intended to see how multiple departments use the Procurement function. Mr. Freiburger noted that it was a separate audit of the Procurement Department, adding that the decision to postpone the audit had been discussed and agreed upon with the previous Audit Committee Chairman.

Mr. Freiburger continued by discussing the budgeted hours used by Internal Audit for the 2014 Internal Audit plan. He noted the hours expended were slightly under budget and attributed that to the lack of activity from the Fraud Hotline. Mr. Long communicated to the Committee that this hotline was an internal hotline. Mr. Freiburger then noted Internal Audit is on pace to meet their target by the end of the year. Mr. Freiburger asked the Committee if there were any questions. The Committee responded in the negative.

Mr. Freiburger then reviewed the Employee Benefits report. He discussed the background and objectives for the audit and pointed out the processes are well designed around the employee benefit operations. The audit concluded that the internal controls surrounding the Benefits Operations are effective. He went on to note that there were two observations and then discussed each finding including: a review and approval of policies and procedures on an annual basis and strengthen the review of data entry to ensure its accuracy.

Mr. Long asked Mr. Freiburger to discuss the process when recommendations are made for observations included in the audit reports. He noted the importance in following up with the status of the action plans from previous audits. He responded that Internal Audit is extremely diligent with the follow-up process and explained that Internal Audit requests updates from Management periodically and tracks all open remediation items in an internal database. He further noted that all remediation of validated by Internal Audit – including the receipt of supporting documentation and any subsequent validation testing – prior to any item being closed out.

Mr. Freiburger then gave the status for the new and open items, noting that for the first time since the items were tracked, there have been no past due items. Mr. Long asked if issued audit reports were available online. Mr. Freiburger responded in the affirmative. Mr. Long noted that it would be informative for the DC Water board members to review the issued audit reports to become familiar with the audited areas and the issues that were identified.

Mr. Mallet noted that there was no reference to recruiting or hiring in the Employee Benefits audit report and inquired where the reviews of these processes would be covered. Mr. Freiburger noted that the processes would be covered through a broader HCM audit. Mr. Hawkins added that issues with these processes should also be addressed through the Human Resources and Labor Relations Committee.

Follow-Up Item (Item 5)

Based on a question from the February committee meeting, Mr. Hayman presented his findings regarding jurisdiction over DC Water for safety monitoring and noted that OSHA standards do not

apply to DC Water. DC Water should adhere to the “DC Code”. Mr. Long asked if the District of Columbia requires DC Water to follow District of Columbia safety standards as a separate authority. Mr. Hope responded that DC Water is a separate Government entity in that DC Water has its own management and not managed by the District of Columbia.

Mr. Mallet asked whether DC Water is still required to adhere to OSHA whistle-blower requirements. Mr. Hope responded in the affirmative. Mr. Hayman added that General Counsel would update and re-issue the memo.

Ms. Boardman asked if employees would file a safety complaint through DC Water or would they do so through OSHA. Mr. Hope responded that complaints would go through the EPA and not through DC Water for safety issues. Ms. Boardman then asked why “OSHA” is included in the names of the safety audits on the Internal Audit plan. Mr. Freiburger answered that having OSHA as part of the audit name indicates the measurement standard used by the audit team relative to safety issues. The nomenclature for these reviews will be changed in the future.

Ms. Boardman followed up to ask if the OSHA audits emphasized the processes that were in place to assure workplace safety, or if the focus was on the identification of potential safety violations. Mr. Freiburger responded that the safety audits were two-fold: that they were designed to review internal policies and procedures related to safety and to evaluate DC Water facilities based on safety checklists to identify potential safety violations. Mr. Freiburger added that the safety checklists used in these audits were OSHA safety checklists, and that they were selected because they are the adopted standard for workplace safety, and were a better option than Internal Audit developing its’ own safety checklists.

Mr. Long then noted that it sounded like DC Water could pick and choose the safety requirements that it chose to follow and asked which requirements were applicable. Mr. Hawkins responded that it was DC Water’s intent to meet or exceed all OSHA safety requirements. Mr. Hope agreed and added that DC Water safety standards are often more stringent than OSHA’s requirements. Mr. Mallet asked whether DC Water met or exceeded OSHA standards. Mr. Hawkins noted that in some cases, DC Water exceeds OSHA standards.

Mr. Mallet then inquired where employees would go to file a safety-related complaint. Mr. Hayman replied that complaints could be submitted to the DC Water Safety group or to the DC Inspector General.

Mr. Long asked if the Audit Committee could ask the Governance Committee to look at the issue around safety standards and OSHA at DC Water. Ms. Boardman noted she was the chair of the Governance Committee, and that she did not see an issue with the follow-up.

FY2014 Internal Audit Outsourcing RFP Recommendation (Item 3)

At 10:07 AM, Mr. Long stated that he had some questions regarding the Procurement process as it related to the Internal Audit outsourcing RFP recommendation and called the meeting into Executive Session for discussion.

At 10:37 AM, the Executive Session concluded and the Public Session continued. Mr. Kim discussed the selection process for the Internal Audit contract and noted that the selection panel's recommendation was McGladrey for the Internal Audit outsourcing to begin in FY 2015.

Action Item (Item 4)

A recommendation was made from the Audit Committee to send the contract for McGladrey as the Internal Auditor to the full Board of Directors for approval.

Mr. Long noted that there were no other items on the agenda.

At 10:40 AM, the meeting was adjourned.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, April 24, 2014

11:00 a.m.

MEETING MINUTES

Committee Members in Attendance

Timothy L. Firestine, Committee Chairperson
Robert L. Mallett, District of Columbia
Adam Ortiz, Prince George's County
James Patteson, Fairfax County
Obiora "Bo" Menkiti, District of Columbia (via phone)

DC Water Staff

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Gail Alexander-Reeves, Director, Budget
Robert Hunt, Manager, Treasury and Debt
Linda Manley, Secretary to the Board

Other Presenters and Guests

Nelson Bush (PFMAM)
Robert Cheddar (PFMAM)
David Calvert (PFMAM)

Call to Order

Chairperson Timothy Firestine called the meeting to order at 11:00 a.m.

Operating Revenues, Expenditures and Capital Disbursements

Mr. Mark Kim, CFO, provided an executive summary of the operating revenues, expenditures and capital disbursements due to the extensive agenda items for discussion at the meeting. At midyear of FY 2014, Mr. Kim reported that operating revenues were on target while, operating expenditures and capital disbursements are tracking very close to budget for this reporting period. Increased personnel expenditures are consistent with the wage adjustments effective in FY 2014, while the increased electricity costs are attributable to the extreme cold weather conditions (Polar Vortex effect). Staffs are reviewing futures market prices and anticipate purchasing electric hedges for the summer peak period.

In response to Chairman Timothy Firestine's question on attributing part of the electricity cost increase to the tunnel boring project, Mrs. Gail Alexander-Reeves, Director, Budget responded that the associated costs would be capitalized with no impact on the operating budget and being reported as part of the overall Authority's electricity costs. She also noted that the year-to-date capital labor charges are consistent with anticipated costs for the reporting period with year-end estimated at \$16 million.

Mr. Kim also cautioned the Committee concerning an increase in capital disbursements due to planned acceleration of activities in the Clean Rivers, Digester, and Enhanced Nitrogen Removal (ENR) Projects during the second half of the fiscal year. Anticipated increase is \$75 - \$100 million over previous projections and the Chief Engineer would provide detailed review in next month's report.

2014 Plan of Finance Update

Mr. Kim outlined the Plan of Finance for 2014 and reported that the kickoff meeting is planned for this afternoon (4/24/2014) with our financing team. The plan calls for issuing approximately \$350 million in new debt, with a sale date of late July 2014. The structure currently under consideration comprises two series of bonds: (1) \$250 million fixed rate ("century" bonds) in the taxable market and (2) \$100 million variable rate (30 or 40-year final maturity) in the traditional tax exempt market. He explained that the proceeds of the fixed rate series will be used to finance a portion of the Clean Rivers Project which are comprised of tunnel assets designed with minimum service life of 100 years. He further noted that to better match DC Water's assets and liabilities, the financing team is planning to issue 100 year bonds to finance these assets. The issue of "intergenerational equity" was also raised and discussed.

Mr. Kim briefed the Committee that while this is a first in the industry and for DC Water, it is not an uncommon practice around the world, noting that other large corporations, sovereign nations, financial institutions, transportation and higher education institutions with high credit ratings have accessed the century bond market. In response to Committee members' inquiry, Mr. Kim noted that due to the unique, innovative and unprecedented nature of the century bonds concept, he plans to review the feasibility of issuing these long dated bonds with the Committee in the upcoming months. He further noted that the Authority would seek to certify these bonds as "Green Bonds" with a new class of socially responsible investors (SRIs), which would make the bonds more attractive and increase the number of potential buyers. The prospect of issuing century bonds will be further discussed with the bond rating agencies and underwriters in May.

Investment Portfolio Management Update

Mr. Kim stated that to date, DC Water's investment portfolio has been managed part time by in-house staff, Mr. Robert Hunt, and plans to move towards active portfolio management using an external team of investment professionals. Since the portfolio has grown exponentially since inception from \$25 million to \$250 million currently, and expected to rise to \$600 million with new bond proceeds, there is a need for professional active portfolio management. He briefed the Committee that DC Water already has a contract with PFM Asset Management LLC (PFMAM), which has been producing the required monthly investment report, and is being recommended to provide investment advisory services going forward. This is expected to provide the Authority with greater portfolio diversification and investment returns. PFMAM representatives gave a brief presentation of their company's investment strategy and philosophy, and addressed questions from Committee members.

Investment Policy Revisions

Mr. Mark Kim briefed the Committee on management's proposed revisions to DC Water's Investment Policy, which included the following 5 changes aimed at providing safety, liquidity and return on investment:

- a. Deletion of Diversity as an object;
- b. Changes to and additions to the types of Authorized Investments;
- c. Addition of Sector and Issuer limits on investments;
- d. Change in the description of Core Portfolio; and
- e. Addition of the Engagement of Investment Managers.

In response to a question from Mr. James Patteson, Mr. Kim and PFMAM representatives discussed the risks and cost-benefits the Authority would derive from making the proposed modified changes to the Investment Policy. While the expansion of the investments includes greater portfolio diversification and higher investment returns, there are appropriate management controls in place to manage the

associated higher risks being undertaken. These risk controls include limitations on duration of the investments (< 5 years), established credit rating triggers at the AA level (consistent with the U.S. Government and DC Water's credit ratings), established concentration limits around each of the asset classes and active portfolio management by outside team of professionals. CFO Kim stated that these changes would set forth the investment and operational policies for management of the Authority's funds.

Additionally, in response to Chairman Firestine's inquiry on the affected funds, Mr. Kim confirmed that these investments will be used for all funds except as restricted by bond documents.

Banking Services RFP Recommendation

Mr. Robert Hunt, Manager, Treasury and Debt, presented a Fact Sheet with recommendation to award the Authority's banking services to TD Bank, N.A., for a one year contract base period with four option years. He gave an overview of the RFP process, responses and evaluations undertaken for the three proposals received with TD Bank being the highest rated offeror. Mr. Hunt reported that the services of TD Bank over the past years were deemed satisfactory and introduced the representatives of TD Bank and Industrial Bank responsible for the management of DC Water's accounts.

Action Items

The Committee members recommended moving the following action items for Board approval:

- A. Revisions to the Investment Policy; and
- B. Banking Services Contract with TD Bank, N.A.

Agenda for May Committee Meeting

The Committee accepted the agenda for the May Committee Meeting, scheduled for May 22, 2014; at 11:00 a.m. with no changes.

Executive Session

The Committee went on executive session at 12:05 p.m. to discuss proprietary matters related to outsourcing of the Authority's investment portfolio management services. The Committee reconvened into open session at 12:30 p.m.

Adjournment

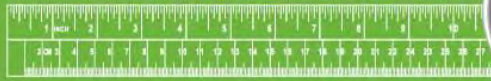
Chairperson Firestine adjourned the meeting at 12:30 p.m.

FOLLOW-UP ITEMS

1. Identify the pros and cons of issuing century bonds and impact on DC Water's current and future assets (**Mr. Patteson**).



DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY



GENERAL MANAGER'S REPORT

George S. Hawkins
General Manager
May 2014



Water is life

RM: FY 2014-06

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Interpretation of Charts A

Color Key

Red	Did not meet Target
Yellow	Missed Target but within acceptable range
Green	Met/Exceeded Target
Gray	Budget/Target Value
<transparent>	Green/Yellow/Red based on comparison

EXECUTIVE SUMMARY

Greetings to the Board. Ward town hall meeting month!

Town Halls

As I sit writing this summary, I have just finished the Ward 1 Town Hall last evening (Tuesday, April 22, 2014), Ward 3 is tonight (April 23) and Ward 7 is on Thursday (April 24). As most of you know, the Town Halls were started when I arrived as General Manager, and we invite anyone who has contacted us for any reason in the last year to come visit with me and the team. We have every major department from DC Water represented at the Town Halls, which are scheduled for two hours, usually in conjunction with the Ward Council Member's Office. We have had increasing public participation each year as we have undertaken these meetings, and have had particularly active meetings this year in Wards 8, 4 and 5 – although all have been well attended (well, except Ward 2). We collect cards from everyone who has a question, which I do my best to answer in the meeting itself, and will provide a written summary of what we hear to the DC members of the Board, who will host the final public meeting on our rate proposal on May 14th at 6:30pm at the Department of Employment Services (4058 Minnesota Avenue, NE). We are grateful to the hosts of our team who devote many evenings attending the Town Halls, and to Tom Jacobus, General Manager of the Washington Aqueduct, who has attended virtually every town hall from the beginning. I am also grateful for members of the Board who attend – which includes Brenda Richardson (Ward 8), Ellen Boardman (Ward 5), Alan Roth (Ward 1) and past member David Bardin (Ward 2).

Green Infrastructure

The public comment period for our proposal to modify the Consent Decree for the Clean Rivers project closed on April 14. We received a wide range of comments which we are currently evaluating. Prominently included in the comments were more than 150 from members of the Washington Interfaith Network (WIN) – who some will remember have been very active in advocating for local hiring efforts. WIN continues to monitor our hiring efforts closely, but have been impressed by our efforts to date – and support the GI Initiative in part due to the local job creation it is likely to support. We will provide a written response to the comments – which will trigger a final round of negotiations with the USEPA and US Department of Justice on whether we can come to a final agreement. We will keep the Board through the Environmental Quality and Sewerage Services Committee, fully informed!

Stronghold

I want to alert the Board that at the Ward 5 Town Hall an issue was raised by a group in the Stronghold community (near McMillan Reservoir) about concerns with a cancer cluster – and the potential link between this cluster and the quality of the water. We have been responding vigorously – initially with the recommendation that these citizens start their investigation through a health-based effort – which we understand is to be led by the DC Department of Health, the US Environmental Protection Agency and the Centers for Disease Control. DC Water and the District Department of Environment stand ready to assist in any way as directed by health experts, and we have already provided any immediately pertinent water quality data. We consider it extraordinarily unlikely that there is a link between the water supply and these hugely unfortunate health concerns – but we want to be sure we follow-up and respond to be certain. We will keep the Board informed through the Water Quality and Water Services Committee.

EXECUTIVE SUMMARY

Government Affairs

On April 9, the Metropolitan Council of Governments (MWCOG) Board of Directors unanimously passed a resolution in support of DC Water's green infrastructure proposal for the Potomac River and Rock Creek portions of the Clean Rivers Project. The April 9 meeting highlighted regional water issues and the general manager provided remarks to their Board of Directors.

District of Columbia Councilmembers Tommy Wells and Mary Cheh introduced legislation on April 8 that would prohibit the sale of bottled water in containers smaller than 21 ounces in District Government facilities and at large events held in public space. The legislation would also prohibit District government funds to be used for the purchase of bottled water. Government relations staff is analyzing the bill to determine if it places an obligation on the Authority to grant access to potable water from hydrants at outdoor events. A hearing has not yet been scheduled for the bill.

The mayor of the District of Columbia released his Fiscal Year 2015 budget proposal to the public on April 3. The capital budget includes approximately \$15 million for the relocation of DC Water's fleet and Customer Care and Operations activities from the Main and O Street SE location. The relocation is necessary for the District government to accommodate future private development at the site. The DC Council is expected to approve the budget on June 11.

External Affairs

Website

Session totals for the period of March 16, 2013 through April 15, 2014:

- Total Sessions: 54,416
- Average Sessions/day: 1,814

Media Relations

- The digester project was the centerpiece for a Metro cover article in the Sunday, April 6 *Washington Post*. It included an article, great photos and a full-page graphic of the thermal hydrolysis-anaerobic digestion process.
- *Engineering News-Record* named DC Water Owner of the Year. DC Water was the cover of the Mid-Atlantic section of the national publication for the week of April 14. A photo gallery accompanied both the online and in print version.
- A *Washingtonian Magazine* article titled, "Water Wheel" profiled Maureen Holman and explored the issue of sustainability. The eight-page piece was published in the April issue, and included several photos and a flooding map.
- Aaron Wiener ran a piece on the RFQ for the new headquarters building in the *City Paper*.
- John Henrehan, *Fox 5*, did a piece on a customer's sewer line that needs repair and was causing a depression in her front lawn.
- The Office of External Affairs issued the following press releases and media or traffic advisories:
 - DC Water Construction Continuation on 16th Street will Result in Lane Closures on April 12, April 11

EXECUTIVE SUMMARY

- DC Water's Greening of Irving Street Continues, April 8
- McMillan Construction Brings Traffic Impacts to First Street, April 4
- Meet your water utility in your ward, April 1
- DC Water opens new green, multi-functional Visitor Center at Blue Plains, March 26
- Northeast Boundary Tunnel Construction Brings Lane Closures to Rhode Island Avenue Beginning March 24, March 21
- DC Water and UPO Promote Fix a Leak Week, March 17-23, March 18

The April bill insert highlighted the Clean Rivers Project News, and was the “green” issue, focusing on the proposal to modify the consent decree to include green infrastructure, the Green Infrastructure Design Challenge and a primer on green infrastructure. This bill insert was also mailed to boathouses and marinas and shared at community meetings.

Community Meetings

- In celebration of the Annual Fix-A-Leak Week events, DC Water participated in a two-day workshop at United Planning Organization's Ralph Waldo “Petey” Greene Community Service Center. DC Water also visited one of Fresh Farm Market's (1735 20th Street NW location to provide information on water conservation in the home.
- In preparation for First Street Tunnel construction, DC Water hosted a public meeting with Bloomingdale and LeDroit Park residents to discuss the proposed modification plan for local parking restrictions during the project.
- In preparation for construction of the Anacostia River Tunnel portion of its Clean Rivers Project, DC Water attended a meeting held by the Washington Yacht Club to discuss a number of topics including pre-construction surveys, tunnel location, depth and size, and construction schedule.
- In support of its Low Area Trunk Sewer Rehabilitation Project, DC Water hosted an interagency coordination meeting with the Mayor's Special Events Task Force and other federal and District agencies to discuss schedule and anticipated impacts during construction of the project.
- In preparation for construction of the Northeast Boundary Tunnel portion of its Clean Rivers Project, DC Water attended the ANC 6E monthly meeting to provide a detailed presentation mainly highlighting the various construction staging areas that will be needed during the project.
- DC Water co-hosted the fifth annual Ward 2 Town Hall Meeting with the Office of District Councilmember Jack Evans. Four residents attended the meeting.
- As part of its continued partnership with Joint Base Anacostia-Bolling's 2014 Earth Day, Fun Day Waterfront Cleanup Event, DC Water provided a 30-yard roll-off dumpster for trash and 10 cubic yard container for recycling during the event. In addition, members of the Outreach team staffed a booth during the event and provided giveaways including key chains, activity books and rain gauges.
- As part of its continued partnerships with the Anacostia Watershed Society and Alice Ferguson Foundation, DC Water provided the following services for their Joint 2014 Anacostia River Earth Day Cleanup Events: Dumpster for use by Seafarers Yacht Club

EXECUTIVE SUMMARY

and servicing of the river with the skimmer during the event; special guest appearance by Wendell the Water Drop; and a \$500 contribution to the event.

- In partnership with the Wangari Community Gardens Committee, DC Water participated in the Annual Wangari Gardens Community Spring Festival to help highlight successful completion of its Irving Street Green Infrastructure Project. With an attendance of well over 50, this event effectively demonstrated coordination of the project, as three of its 15 bioretention areas are located in the Gardens.
- DC Water attended the monthly meeting of the Dupont Circle Citizens Association to present its Green Infrastructure plan, a proposed modification to the Long Term Control Plan.
- DC Water co-hosted the fifth annual Ward 8 Town Hall Meeting with the Office of District Councilmember Marion Barry. Thirty residents attended the meeting.
- DC Water co-hosted the fifth annual Ward 4 Town Hall Meeting with the Office of District Councilmember Muriel Bowser. Sixty residents attended the meeting.
- As a follow up to the March 26 meeting, DC Water attended the Mayor's Special Events Task Force regular meeting to discuss schedule and anticipated impacts during construction of the Low Area Trunk Sewer Rehabilitation Project.

Drinking Water Marketing and Communications

- DC Water participated in the third and final EPA Water Security Workgroup meeting to develop a webinar designed to introduce water security tools to water utility users.
- The Office of Emergency Management and the Office of External Affairs met with a group of critical customers (Fannie Mae, Sidwell Friends, American University, and National Presbyterian Church/School) to discuss needs and best practices for drinking water advisories.
- DC Water chaired the regional COG Community Engagement Campaign committee meeting.
- DC Water participated in the webinar "National Dialogue on Contaminants of Emerging Concern and Public Health."
- DC Water participated in EPA's "Unregulated Contaminant Monitoring Rule 3 – Organic Contaminants" webinar.
- DC Water attended the ANC 3D April meeting to provide drinking water quality information.
- DC Water attended the annual AMWA Water Policy Conference and participated in the Water Infrastructure and Innovation Expo.
- DC Water presented water quality information and discussed upcoming projects at the Parkside Civic Association meeting.

Tours

- 25 students from Catholic University
- 9 visitors from the State Department
- 6 WSSC representatives (MDE)
- 20 students from Gallaudet University
- 20 delegates from Singapore PUB & EPA
- 50 international guests from IFC/ Global Water Week staff

EXECUTIVE SUMMARY

- 5 guests from SFPUC/ Brown Caldwell
- 5 students from UDC Service Learning Project

SUMMARY OF FINANCIAL ACTIVITIES FROM THE CFO

The performance dashboard provides a summary of the FY 2014 financial highlights for the Authority for use by the Board. Additional information is available in the monthly financial report.

Operating Revenues & Receipts

At the end of March 2014, cash receipts totaled \$233.1 million, or 50 percent of the revised FY 2014 budget. Several categories of customers make payments on a quarterly basis, including the Federal and District governments, and wholesale customers.

Operating Expenditures

At the end of March 2014, operating expenditures (including debt service and the right of way and PILOT fees) totaled \$209.9 million, or 48 percent of the revised FY 2014 budget of \$441.7 million. These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent reports.

Capital Disbursements

For the month of March 2014, actual disbursements totaled \$37.6 million, with year-to-date disbursements totaling \$319.7 million or 57 percent of the revised FY 2014 disbursements budget. Planned capital disbursements through March 2014 were \$322.5 million. The spending variance is lower by \$2.8 million due to lower spending in the Combined Sewer Overflow and Sewer service areas offset by higher disbursements in the Wastewater service area.

Cash Reserves and Investments

At the end of March 2014, the operating reserve balance was \$148.1 million as compared to the FY 2014 operating reserve level objective of \$125.5 million. The balances in the Rate Stabilization and DC PILOT Funds remained unchanged at \$28.9 million and \$22.4 million, respectively, since September 2013, while the DC ROW Fund is at \$2.6 million. The CSO LTCP Appropriations Account is at \$28.0 million.

Overall Portfolio Performance

At the end of March 2014, DC Water's total investment portfolio performed well and complied with the Authority's Investment Policy. Returns exceeded the established benchmarks for short term (less than one year) and core (one plus years) funds. Operating funds interest income for March (on a cash basis) was \$25,991, with year-to-date totals of \$228,996 as compared to the budget of \$380,527 for the year.

Insurance Policy Renewal Update

The Authority is on track to renew its Property & Equipment, Excess Auto/General Liability, Workers' Compensation, Public Officials' Liability, Crime and Fiduciary insurance coverages effective July 1, 2014.

Rolling Owner Controlled Insurance Program (ROCIP) Update

We have successfully completed 53 months (88.33%) of the ROCIP 2 program and 17 months (28.33%) of ROCIP 3. There are currently 21 open projects with 249 active contractors in ROCIP 2 and 15 open projects with 89 active contractors in ROCIP 3.

SUMMARY OF FINANCIAL ACTIVITIES FROM THE CFO

Grants Report

The Authority receives grants to fund a portion of its capital costs from the U.S. Environmental Protection Agency (EPA) under two acts, the Clean Water Act of 1972 and the Safe Drinking Water Act of 1974. DC Water also receives a limited amount of EPA grant funding for certain operating functions. Additionally, we have now received fourteen Congressional CSO appropriations (including \$14.2 million) received on May 15, 2013.

As of March 31, 2014, including the CSO appropriation, DC Water has a total of \$305.3 million awarded in federal funds for active projects.

EPA's allocation for the District is \$6.8 million in Clean Water funding and \$8.8 million in Safe Drinking Water funding for FY 2014.

The cumulative federal appropriation for CSO increased to \$182.8 million with the additional appropriation of \$14.2 million on May 15, 2013. The cumulative life-to-date cash disbursement for the CSO appropriation is \$167.0 million through December 31, 2013. Based on the projected FY 2014 and FY 2015 capital spending on the Clean Rivers' projects and no additional funding, all remaining CSO funds are projected to be depleted before the end of FY 2015.

Accounts Payable Performance

During the first six months of FY 2014, 8,909 vendor payments were processed and paid compared to 5,511 in FY 2013 and with a dollar value of \$390.4 million compared to \$274.8 million for FY 2013. For FY 2014, approximately 99.2% percent of the invoices, less retainage and disputes were paid within 30 days compared to 94.4% paid within 30 days during FY 2013. The percentages for January, February and March 2014 were 98.9%, 98.4% and 99.7% respectively. The Authority's goal is to pay 97 percent of all undisputed invoices within 30 days.

Other Updates







- High Electricity Expenditures – As a result of uncharacteristic electric price hikes for December 2013 through March 2014 due to extreme cold weather, we experienced exorbitant prices which significantly increased our electricity expenditures for the past three months.
- Budget Calendar – Staff completing the preliminary FY 2014 Mid-Year projections and anticipate update to the Committee in May 2014.

ORGANIZATIONAL PERFORMANCE DASHBOARD (MARCH, 2014)

Financial Highlights

Net Operating Cash Actual 32960 Target 19158 (\$ tho)	Operating Revenues Actual 233 Target 234 (\$ mil)	Operating Expenses Actual 210 Target 221 (\$ mil)	Capital Disbursements Actual 320 Target 323 (\$ mil)
Operating Cash Balance Actual 176 Target 126 (\$ mil)	Delinquent Account Receivables Actual 2 Target 3 (%)	Core Investments Yield Actual 0.48 Target 0.35 (%)	Short Term Investment Yield Actual 0.33 Target 0.04 (%)

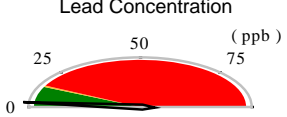
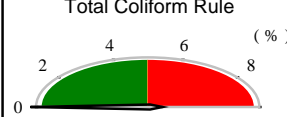
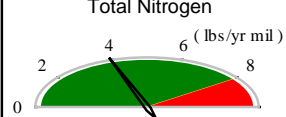
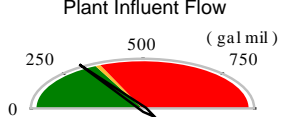
Customer Care and Operations Highlights

Call Center Performance  Mar 87 85 (% of calls rec)	Command Center Performance  Mar 86 85 (% of calls rec)	First Call Resolution  Mar 80 75 (% of calls rec)	Emergency Response Time  Mar 93 90 (% of calls rec)
Fire Hydrants out of Service  Mar 75 96 (count)	Fire Hydrant Inspection 0 (count)	Fire Hydrants Repaired 13 (count)	Fire Hydrants Replaced  Mar 68 250 (YTD count)
Permit Processing within SLA 94 (%)			

Low Income Assistance Program

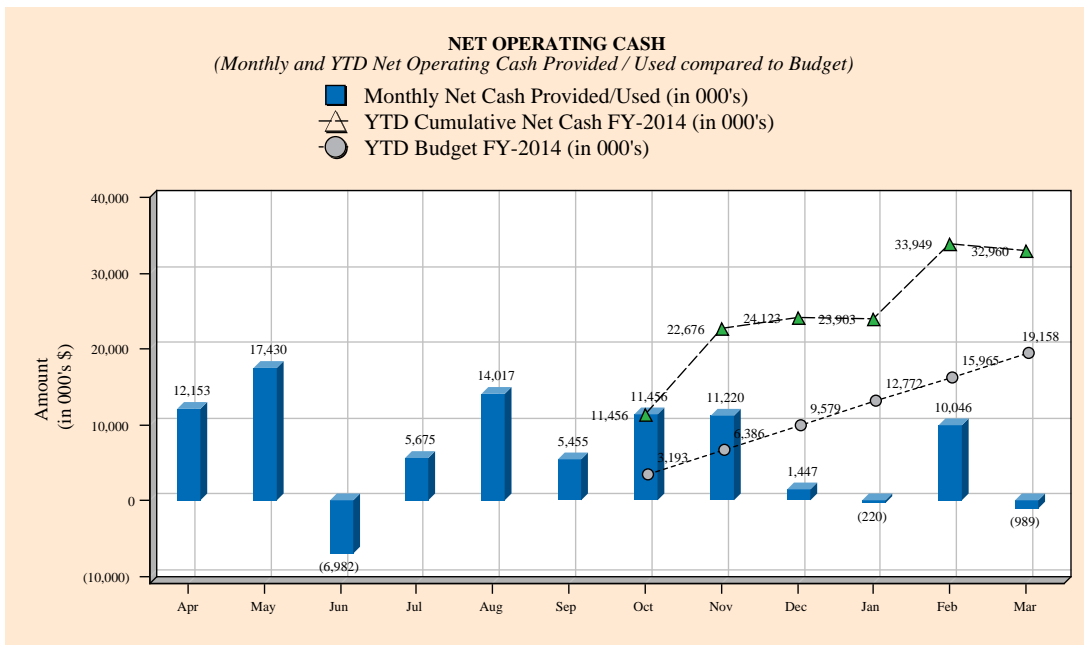
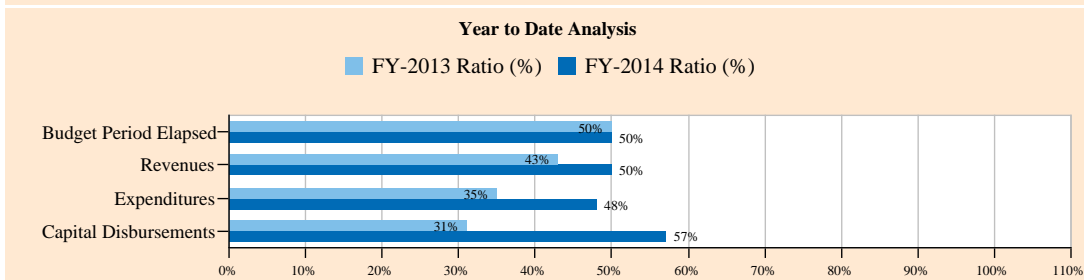
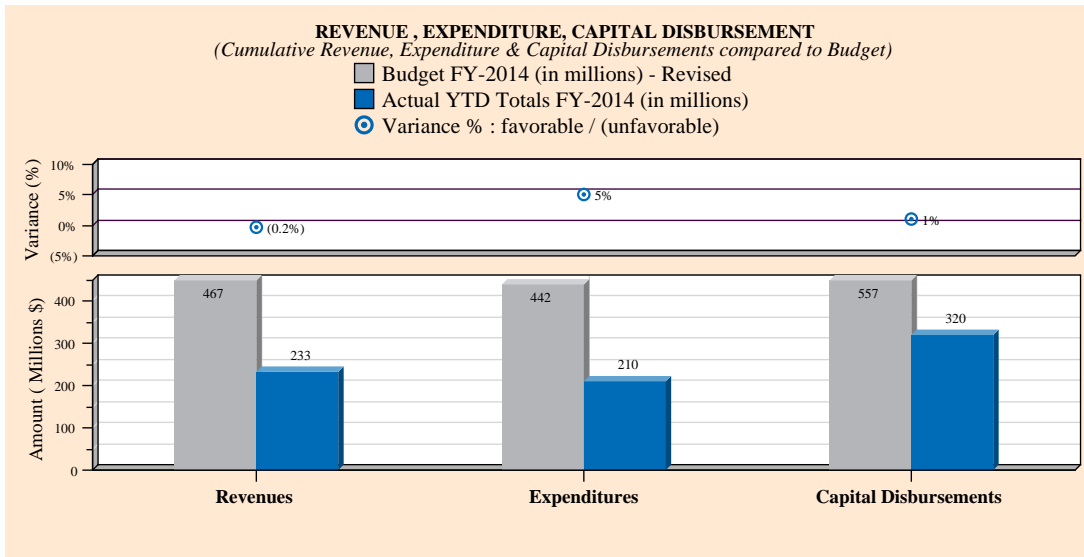
Splash Contributions Actual 58 Target 40 (\$ tho)	Customer Assistance Program Previous 133 Current 83 (\$ tho)
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Operational Highlights

Lead Concentration (ppb) 	Total Coliform Rule (%) 	Biosolids Production 1003 (wet tons)	Total Nitrogen (lbs/yr mil) 
Plant Influent Flow (gal mil) 	Excess Flow 159 (gal mil)	Water Main Leaks 22 (count)	Water Valve Leaks 0 (count)
Non-Revenue Water Sold 8 Purchased 11 (CCF mil)	Sewer Main Backups 5 (count)	Sewer Lateral Backups 174 (count)	Dry Weather CSO 0 (events)
Recruitment Activity Filled 4 Open 60 (count)	Electricity Usage 24991 (MWh)	Employee Lost Time Accidents 13 (count)	Vendor Payments Actual 100 Target 97 (%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



Net cash to date for March was above budget by \$14 Million

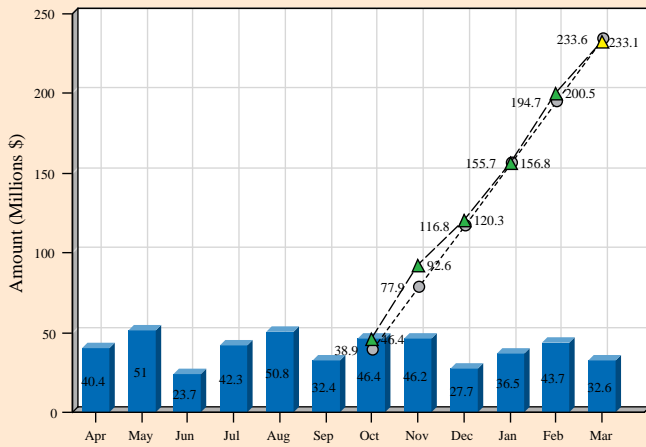
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2014
- YTD Cumulative Budget FY-2014

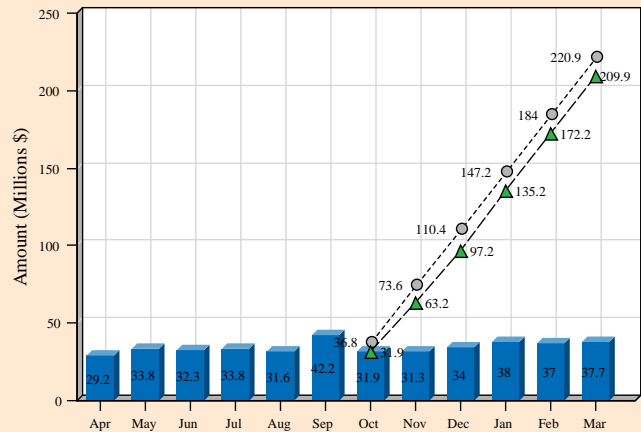


Revenue to date for March was below budget by \$1 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2014
- YTD Cumulative Budget FY-2014



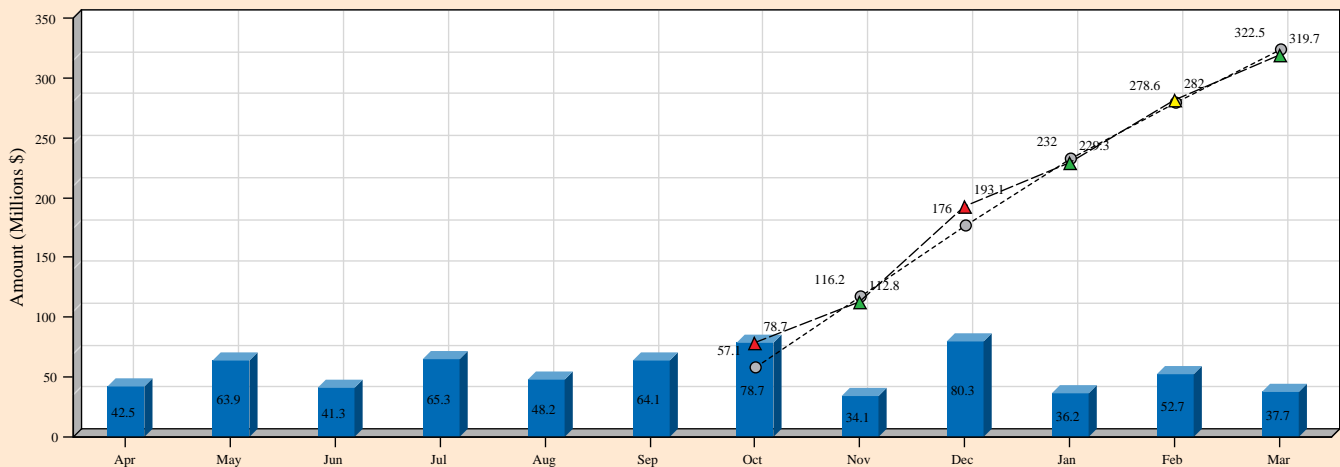
Expenditure to date for March was below budget by \$11 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2014
- YTD Cumulative Budget FY-2014



Disbursements to date for March were below budget by \$3 Million

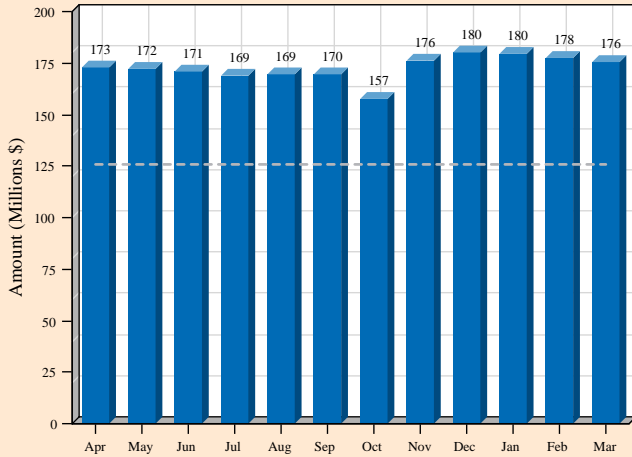
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance
- - - Operating Reserve Target - (126 Million)

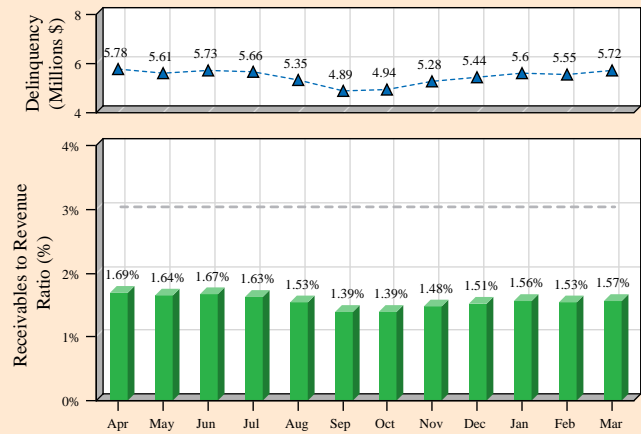


Cash Balance for March was above target by \$50 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies (in millions)
- - - Target: Receivables to Revenue Ratio (3%)



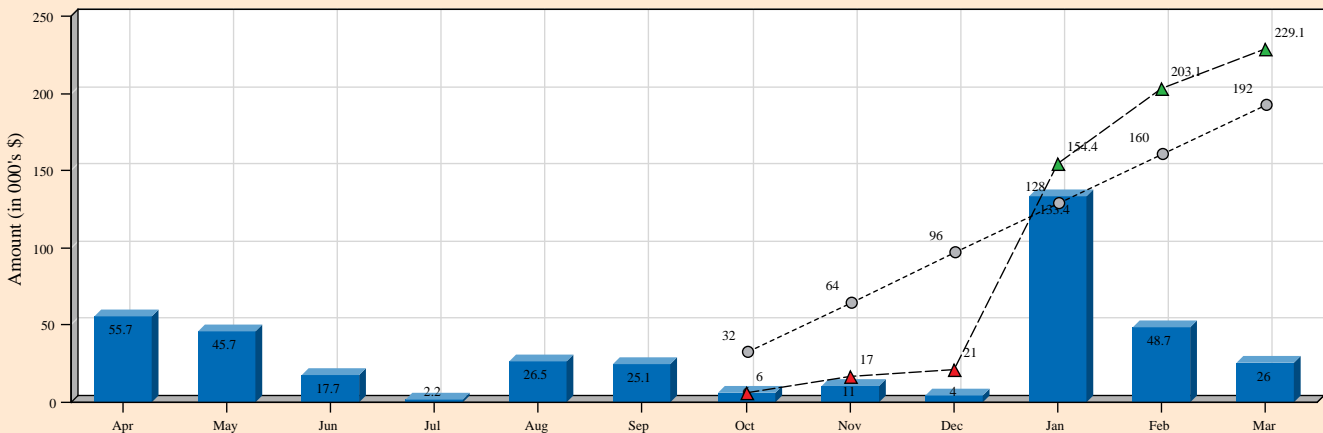
March Receivables to Revenue Ratio 1.6%, Delinquency \$5.7 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings (in 000's)
- ▲ YTD Cumulative Earnings FY-2014 (in 000's)
- YTD Cumulative Earnings Budget FY-2014 (in 000's)



Earnings to date for March were above Projected Budget by \$37,000

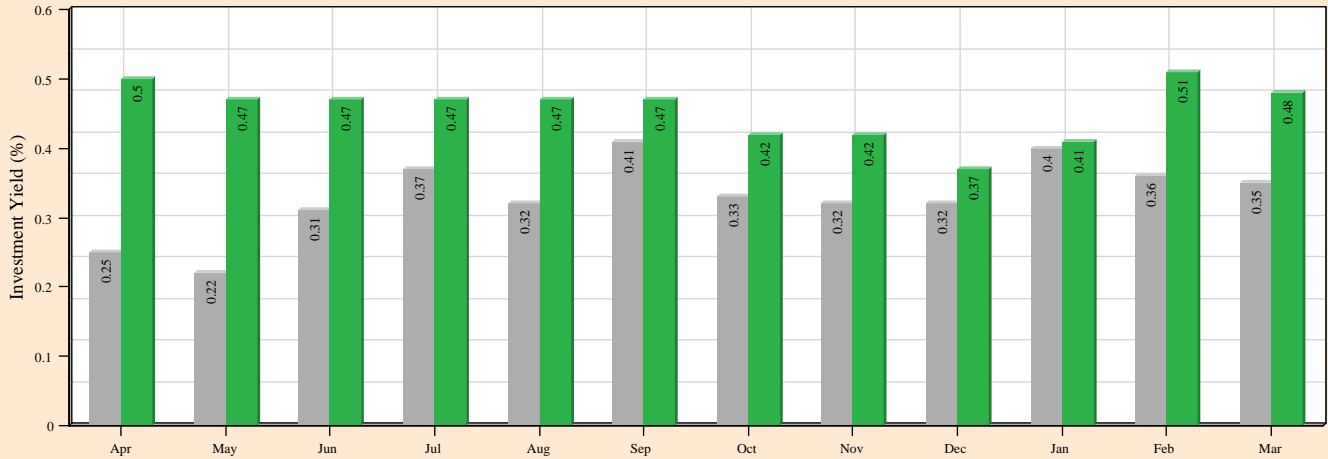
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 1-3 Year Treasury Index - Book Value (%)

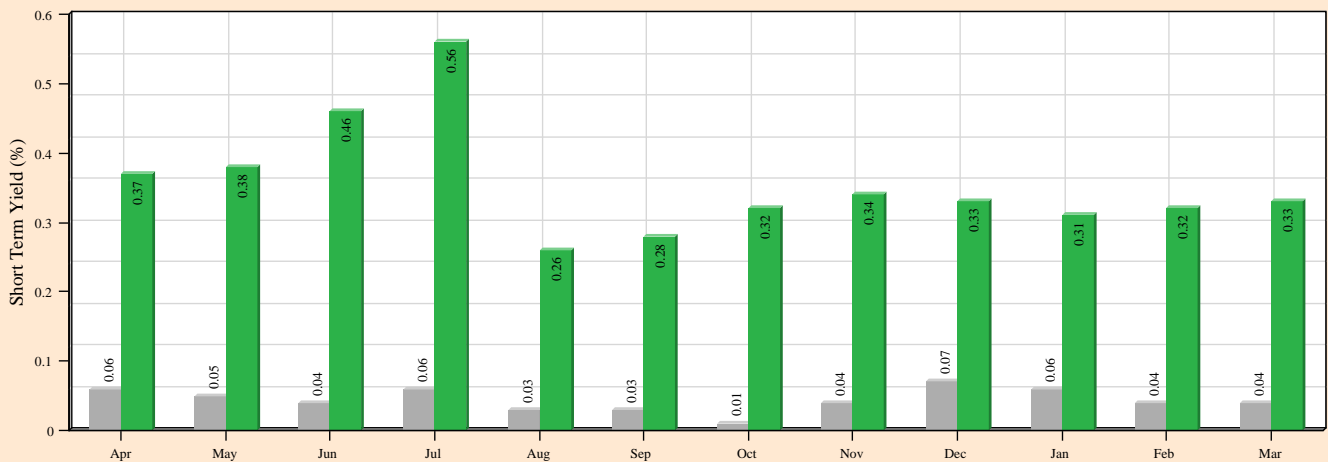


Yield for March was higher than the treasury index by 0.13%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 3-Month Treasury Index - Book Value (%)



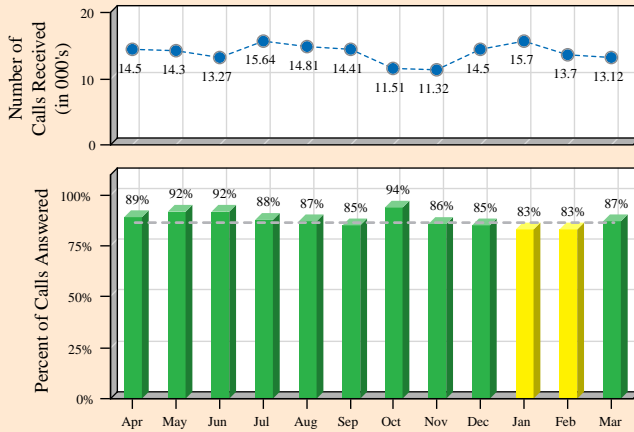
Short Term Yield for March was higher than the Merill Lynch yield by 0.29%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

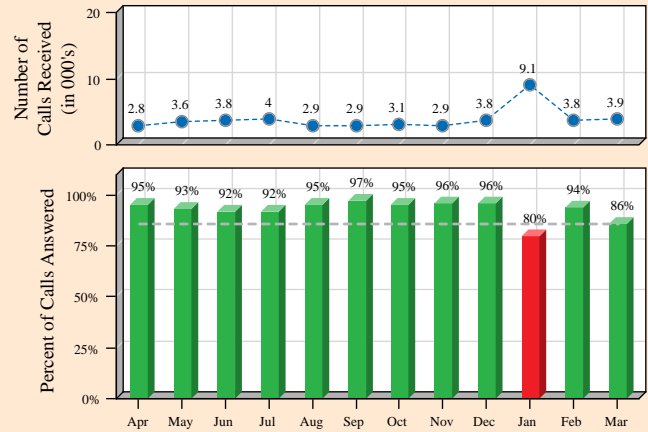
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target -Call Center (85%)



Performance for March was above target by 2%

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

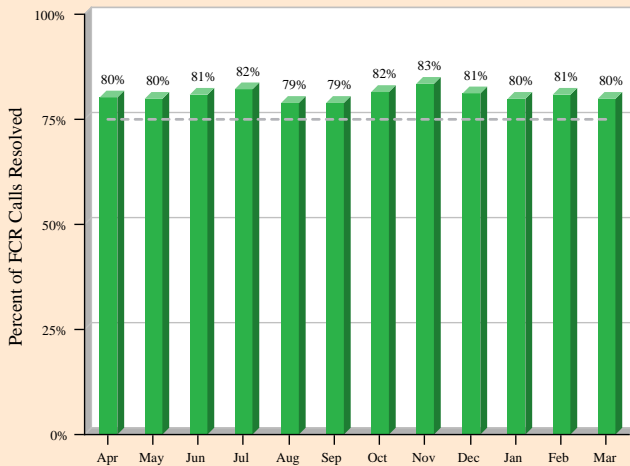
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target -Command Center (85%)



Performance for March was above target by 1%

FIRST CALL RESOLUTION (FCR)
Calls resolved on first contact compared to Target

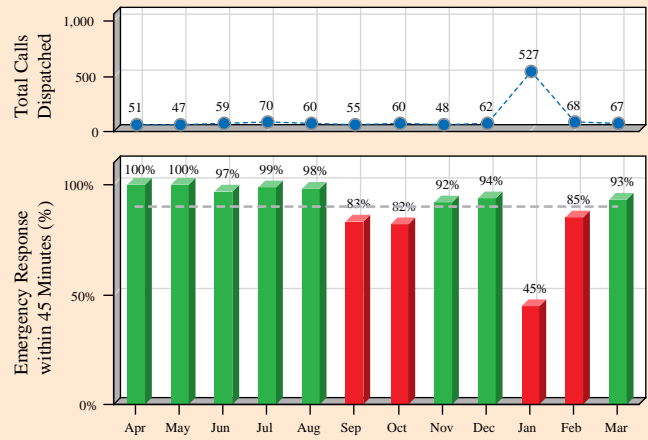
- FCR (%)
- FCR Target (75%)



Performance for March was above target by 5%

EMERGENCY RESPONSE TIME
Calls responded to within 45 Minutes compared to Target

- Response (%) within Target
- Total Emergency Calls Dispatched
- Response Target (90%)



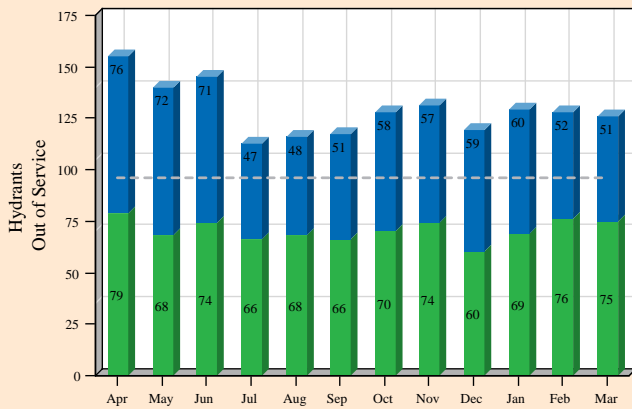
Performance for March was above target by 3%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

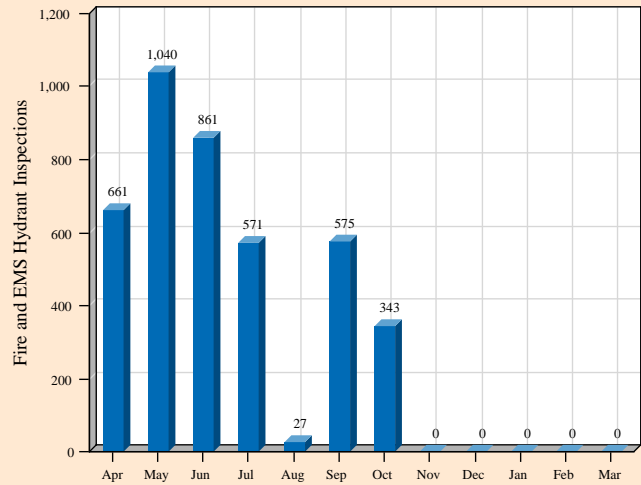
FIRE HYDRANTS OUT OF SERVICE (OOS)
Total Hydrants Out of Service against Target

- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



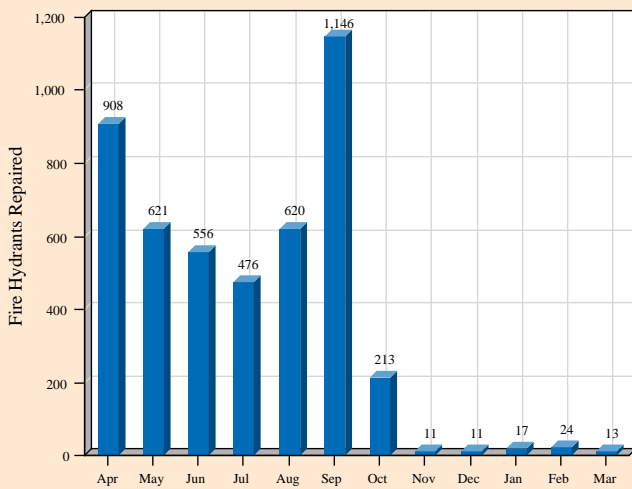
FIRE HYDRANT INSPECTION
Total Hydrants Inspected per Month

- Total No of Fire and EMS Hydrant Inspections



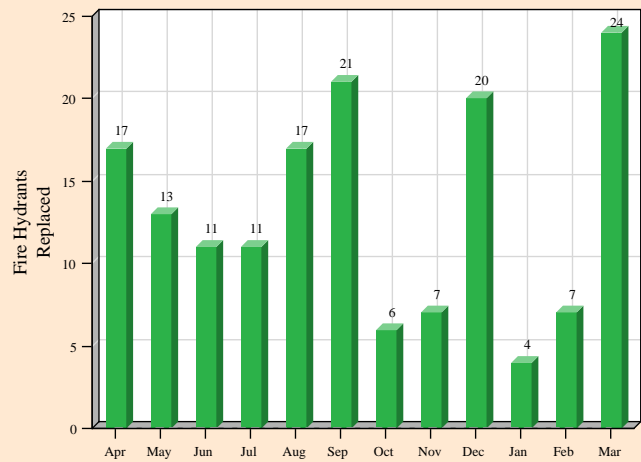
FIRE HYDRANT REPAIRS
Total Hydrants Repaired per Month

- Total No of Hydrants Repaired



FIRE HYDRANT REPLACEMENTS
Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

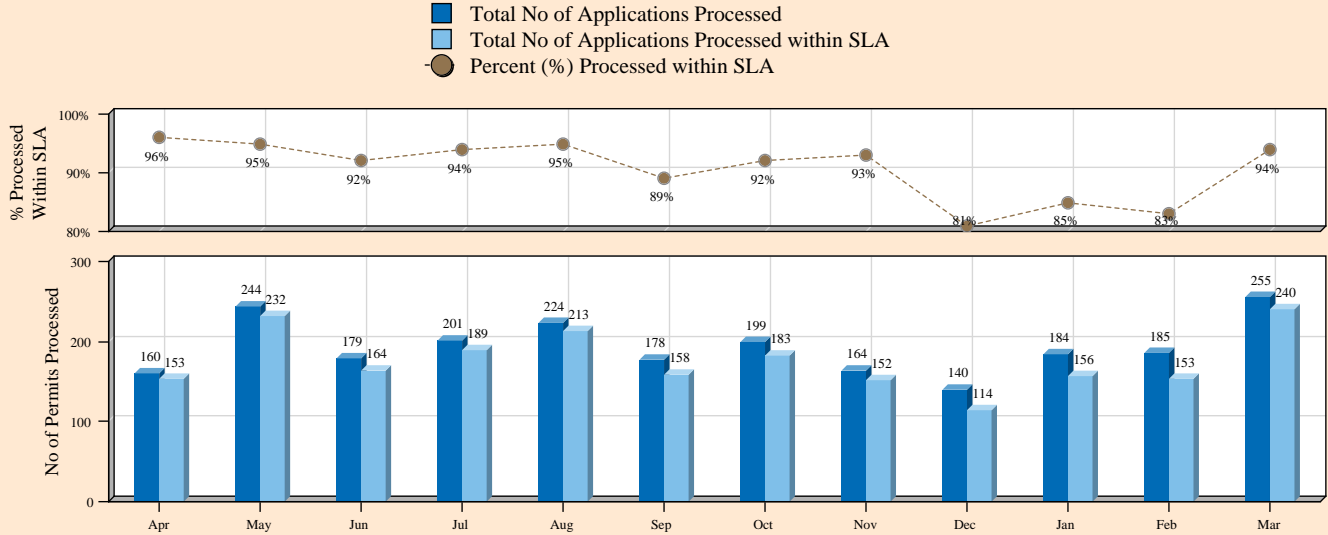


Total replacements as of March were 68 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days

Permits not processed within SLA in March were 6% Note that different SLA's range from 7 days to 45 days

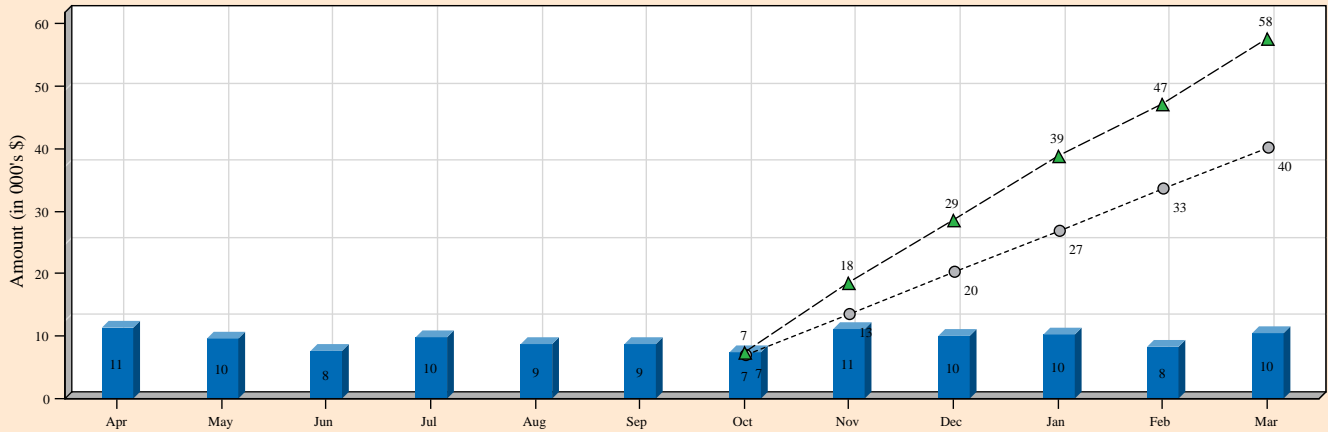
LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2014 (in 000's)
- Projected YTD Target FY-2014 (in 000's)



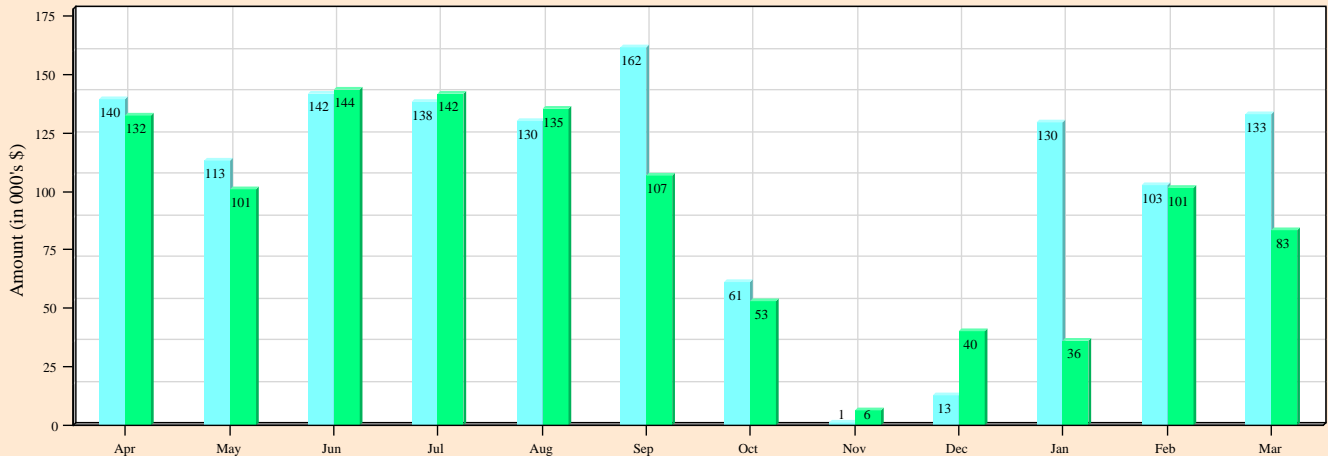
Total SPLASH Contributions to date for March were above target by \$18,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods

- Actual Monthly Amount - Previous Year (in 000's)
- Actual Monthly Amount - Current Year (in 000's)



OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE
Semi-Annual LCR Monitoring Results

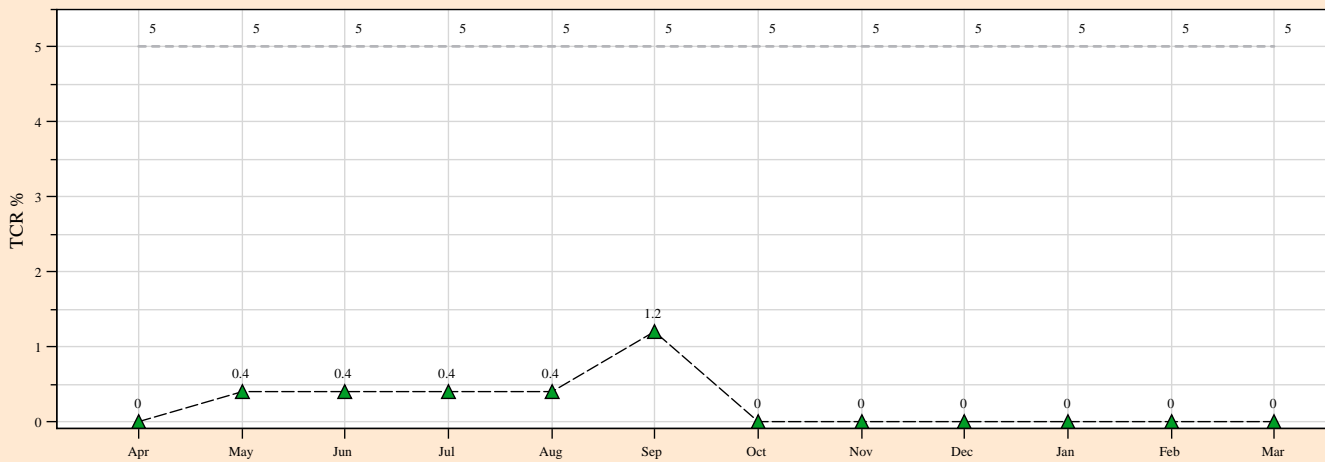
- 2013 LCR Results
- △ 2014 LCR Results
- Action Level : 15 parts per billion (ppb)



Jan-Jun 2014 results to date

TOTAL COLIFORM RULE (TCR)
Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)

- △ TCR Level
- EPA Maximum Contaminant Level (5%)



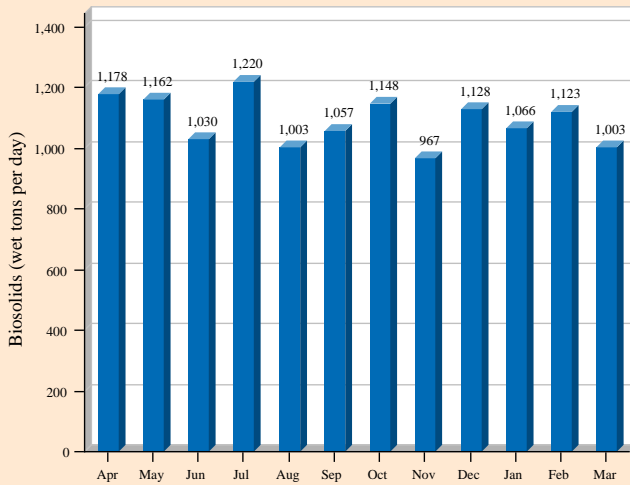
No Coliform Positives were recorded in March

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

■ Average Daily Biosolids Hauled

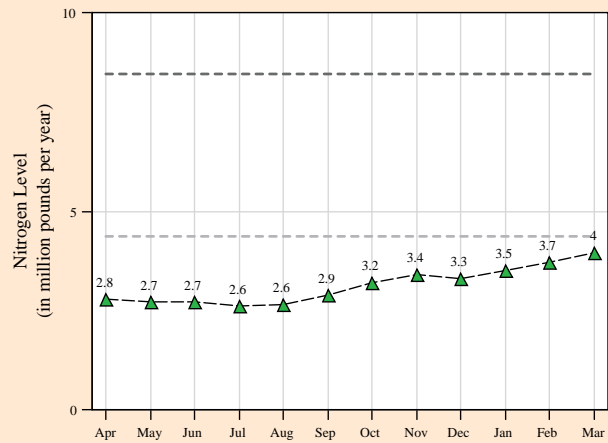


Biosolids Average Daily Production for March was 1003 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to Current and 2015 Permit Levels

△ Nitrogen Rolling 12 months (lbs/yr)
 - - - Proposed Limit for 2015 - 4.38 Million (lbs/yr)
 - - - Current Permit Limit - 8.47 Million (lbs/yr)

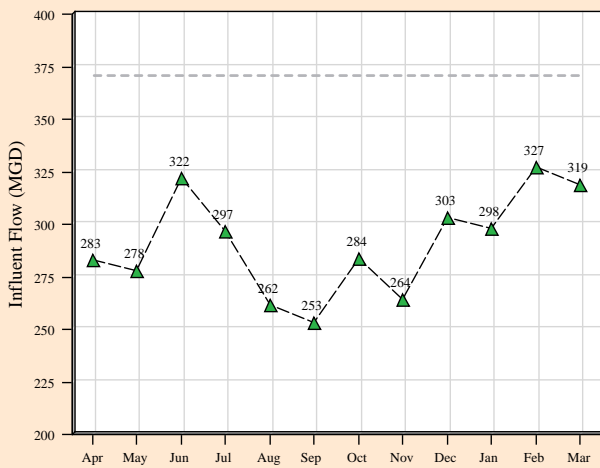


Nitrogen level for March was below permit by 4.5 million lbs/yr

PLANT INFLUENT FLOW

Influent Flow compared to Plant Design Average Limit

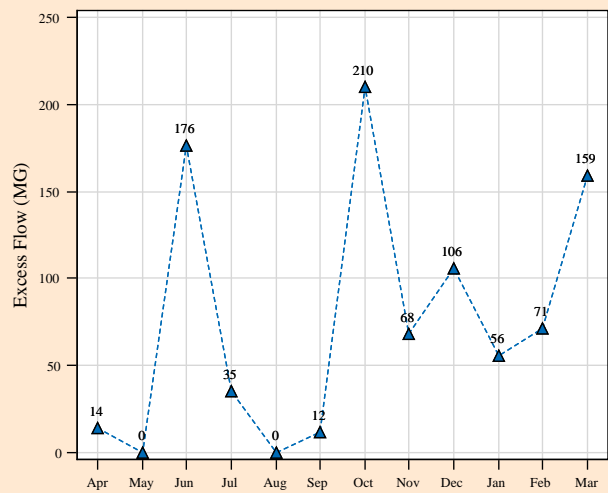
△ Influent Flow
 - - - Design Average (370 mgd)



In March, influent flow was below design by 51 MGD

EXCESS FLOW

△ Excess Flow

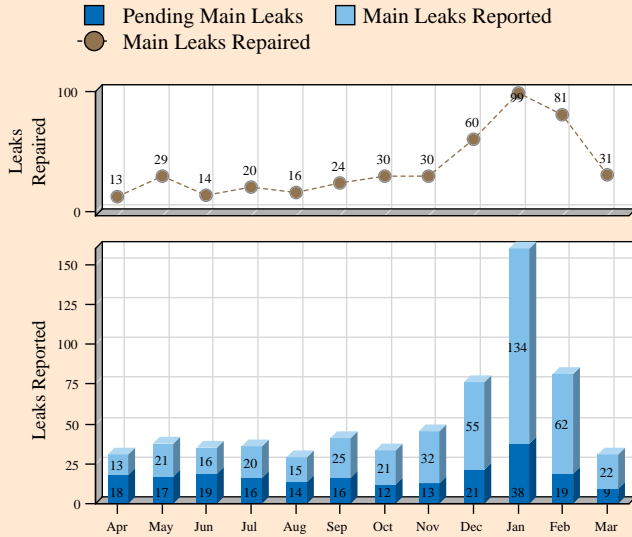


159 Million Gallons per day excess flow were recorded in March 2014

OPERATIONAL HIGHLIGHTS

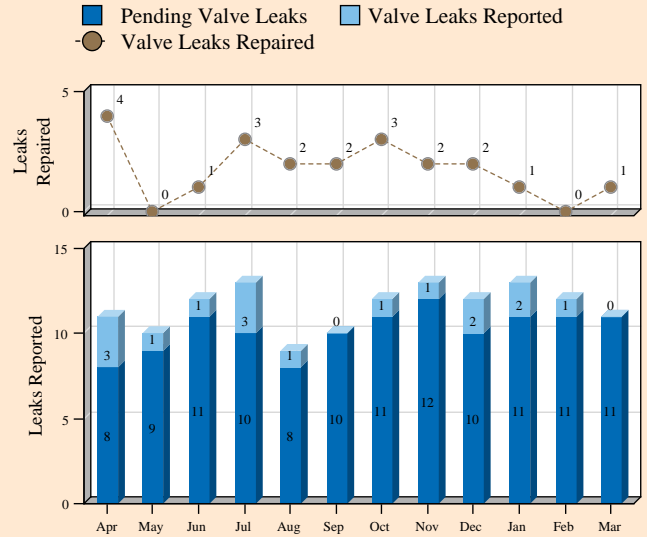
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 22 main leaks reported in March

WATER VALVE LEAKS



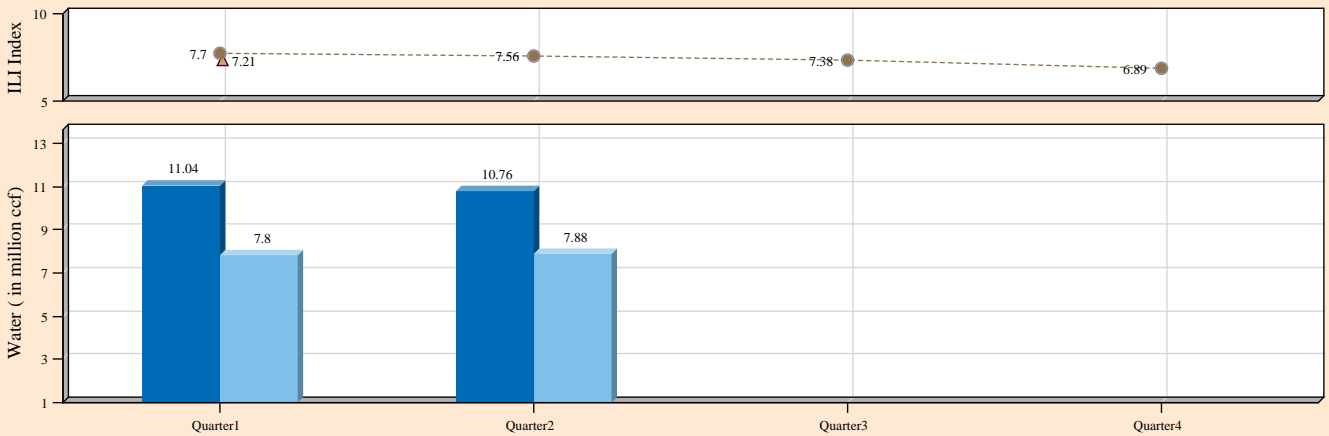
One leak was resolved in March

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2014: Water Purchased
- FY-2014: Water Sold
- FY-2013: Infrastructure Leakage Index
- ▲ FY-2014: Infrastructure Leakage Index



In the second quarter 7.9 out of 10.8 million cubic feet of water was sold

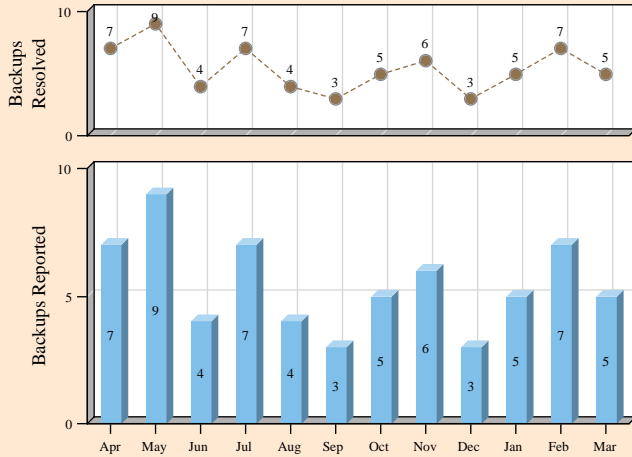
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

- Pending Main Backups
- Main Backups Reported
- Main Backups Resolved

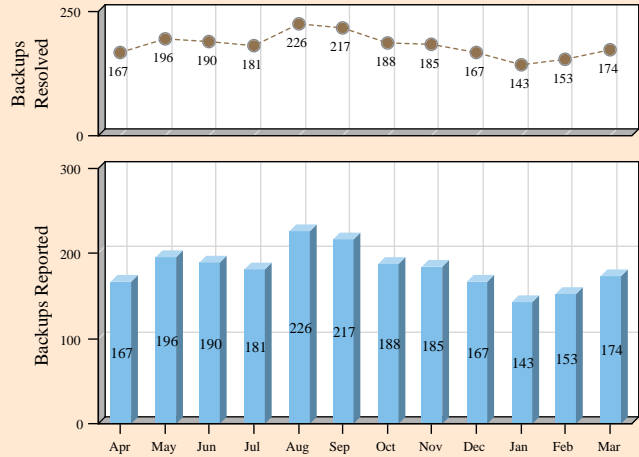


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

- Pending Lateral Backups
- Lateral Backups Reported
- Lateral Backups Resolved



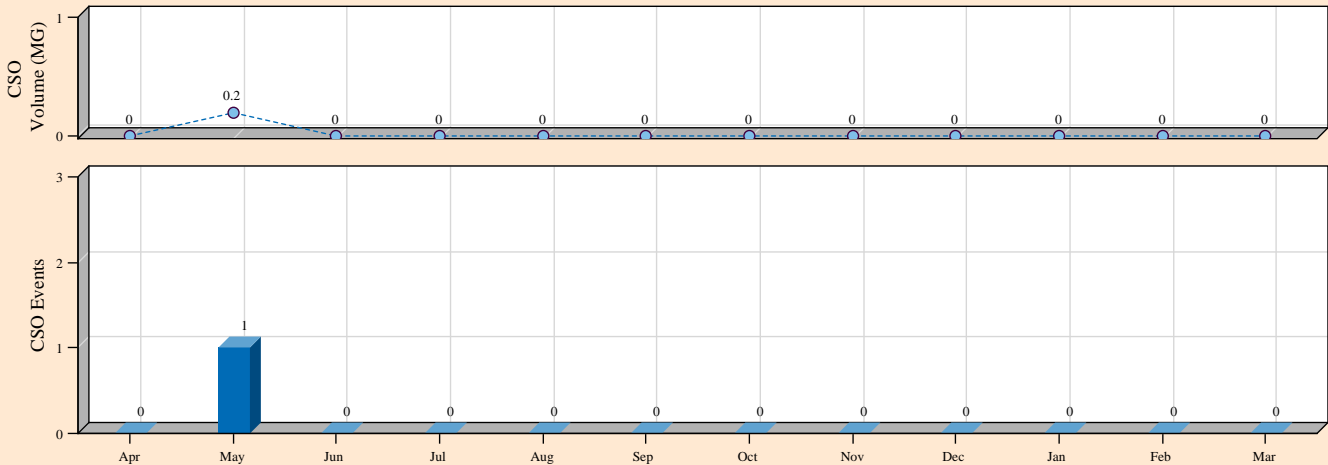
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)

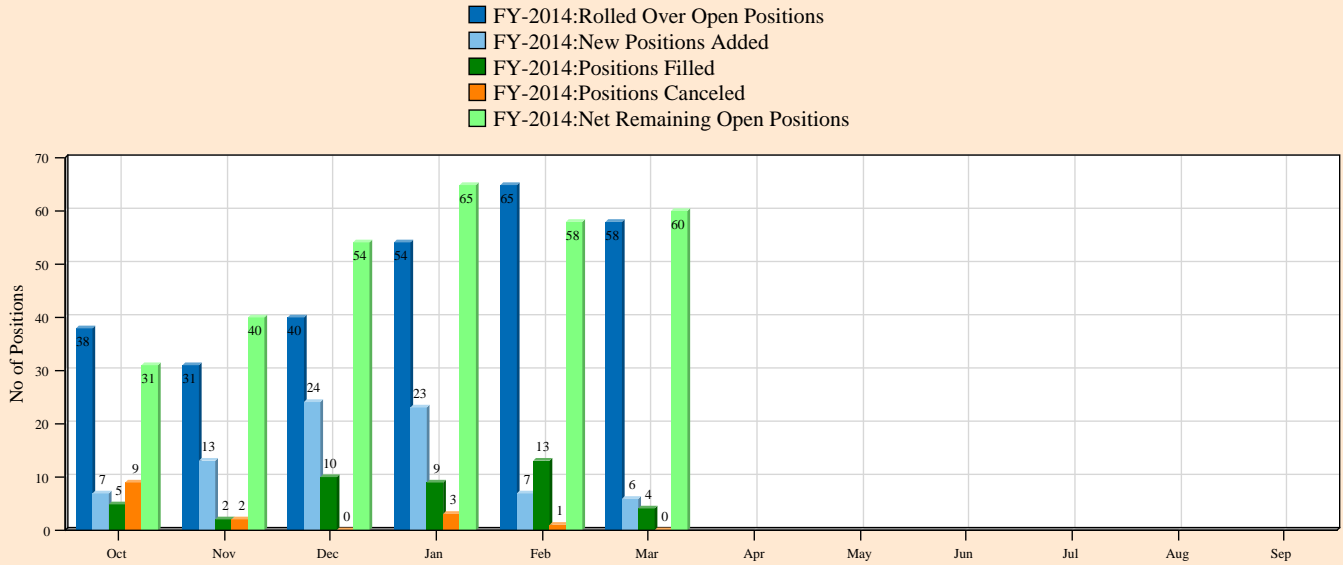


No dry weather Combined Sewer Overflow event was recorded in March 2014

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY



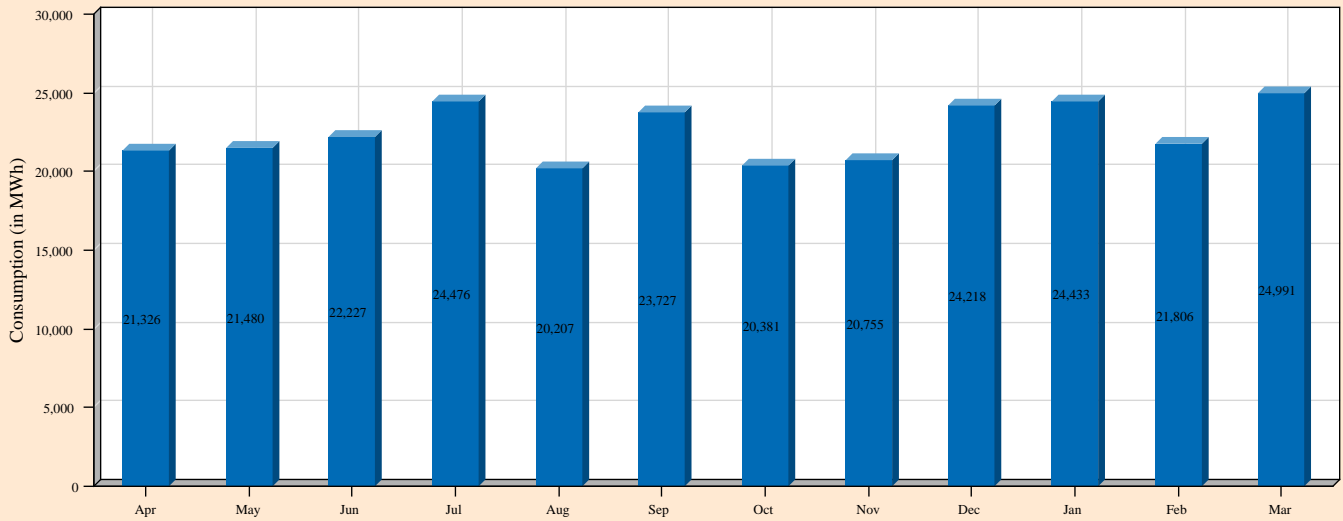
In March, we began the month with 58 positions, received 6 new positions, filled 4, No cancellations and ended the month with 60 positions

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

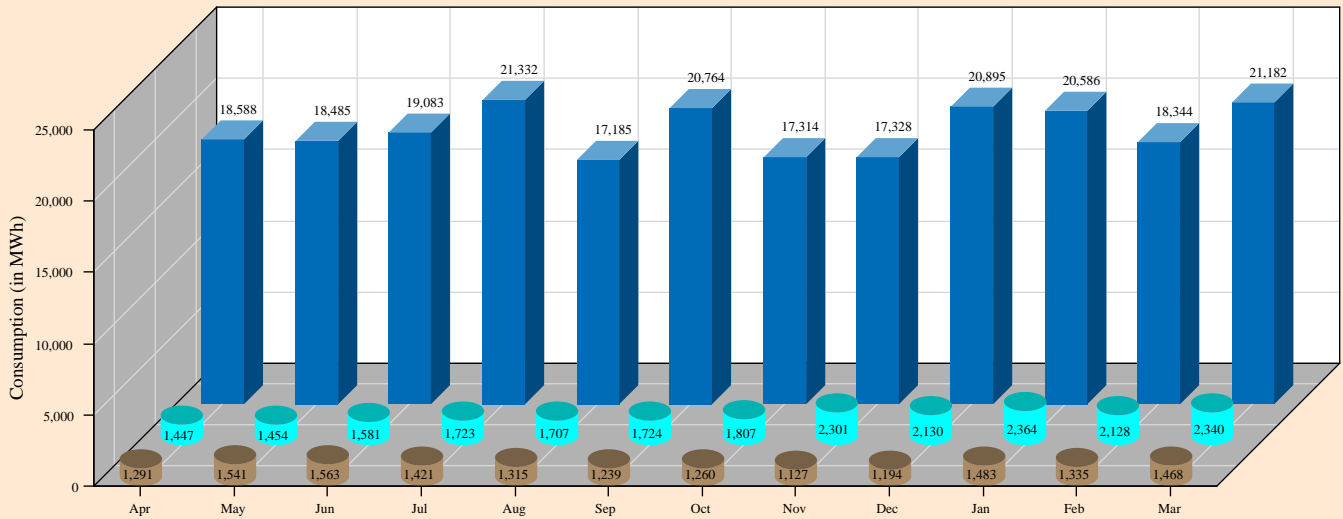
■ Total Consumption (MWh)



Electricity Consumption in March was 24,991 MWh

ELECTRICITY USAGE BY SERVICE AREA

■ Sewer Pumping ■ Water Pumping ■ Waste Water Treatment



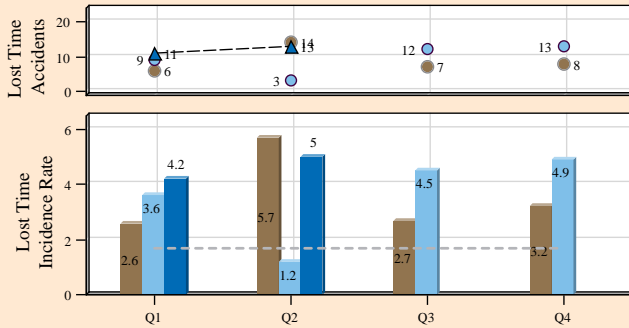
Wastewater treatment had the highest electricity consumption in March at 21,182 MWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

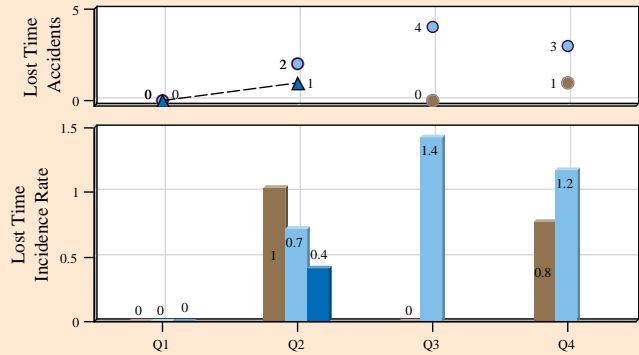
- FY-2012: LT Incidence Rate
- FY-2013: LT Incidence Rate
- FY-2014: LT Incidence Rate
- FY-2012: No of LT Accidents
- FY-2013: No of LT Accidents
- ▲ FY-2014: No of LT Accidents
- Target/National: LT Incidence Rate



In the second quarter, 13 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2012: LT Incidence Rate
- FY-2013: LT Incidence Rate
- FY-2014: LT Incidence Rate
- FY-2012: No of LT Accidents
- FY-2013: No of LT Accidents
- ▲ FY-2014: No of LT Accidents

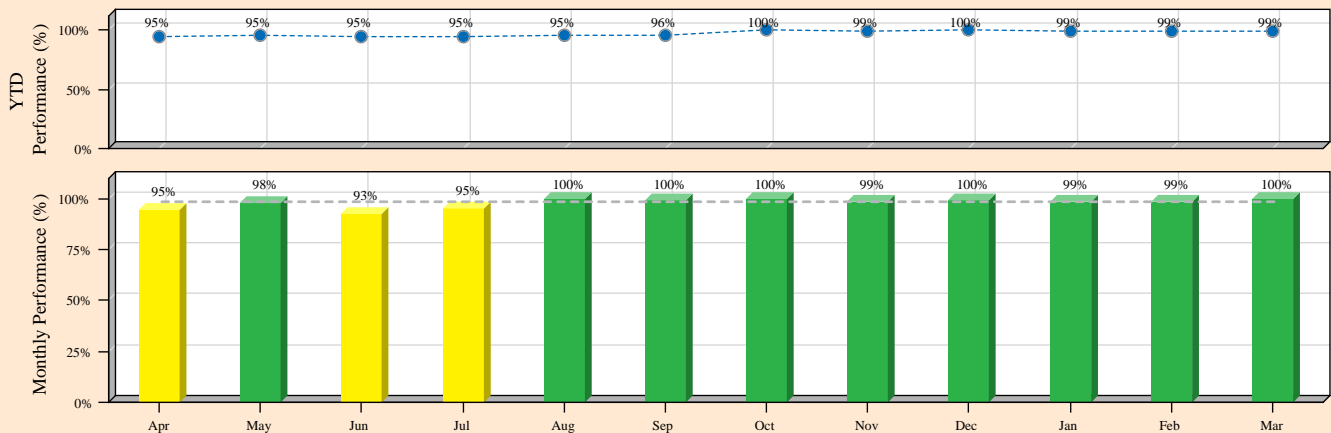


In the second quarter, 1 lost time accident was reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

- Monthly Performance (%)
- YTD Performance (%)
- Monthly Target - (97%)



Monthly performance for March was above target by 3%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

- Bulls eye shows the variance for YTD budget against actual for revenues, expenditures and capital disbursements
- Bar graph shows **total** for the fiscal year budgeted(grey)-revenues, expenditures and capital disbursements against YTD actual(blue)
- Horizontal line graph shows a YTD progress analysis as compared to the previous year

Net Operating Cash

- Bar graph shows monthly net operating cash provided/used
- Line graph denoted by (Δ) compares YTD actual against budget (O). This element is dynamically color coded*

Operating Revenues

- Bar graph shows monthly operating revenues
- Line graph denoted by (Δ) compares YTD revenue against budget (O). This element is dynamically color coded*

Operating Expenses

- Bar graph shows monthly operating expenses
- Line graph denoted by (Δ) compares YTD expenditure against budget (O). This element is dynamically color coded**

Capital Disbursements

- Bar graph shows monthly capital disbursements
- Line graph denoted by (Δ) compares YTD disbursements against budget (O). This element is dynamically color coded**

Operating Cash Balance

- Bar graph shows monthly average cash balance compared to the target of \$125 million; indicated by grey dotted line

Delinquent Account Receivables

- Bar graph shows monthly Receivables to Revenue ratio against target of 3%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (Δ) shows delinquency in actual dollars

Investment Cash Earnings

- Bar graph shows monthly investment cash earnings
- Line graph denoted by (Δ) compares the YTD earnings against budget (O). This element is dynamically color coded*

Core Investments Yield

- Bar graph shows the monthly investment yield compared to the monthly target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Short Term Investment Yield

- Bar graph shows the monthly short term investment yield compared to the monthly short term target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Dynamic Color Coding Legend

*	**
<p>Red - when the actual is lower than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or higher than budget or target</p>	<p>Red - when the actual is higher than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

A

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the call center every month

Command Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the command center every month

First Call Resolution (FCR)

- Bar graph shows monthly percentage of calls resolved on first contact against target of 75%; indicated by grey dotted line. This element is color dynamically coded***

Emergency Response Time

- Bar graph shows the percentage of emergency calls responded to within 45 minutes against target of 90%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the total calls dispatched per month

Fire Hydrants Out of Service (OOS)

- Bar graph shows total hydrants not available for use against target of 91; indicated by grey dotted line. This element is dynamically color coded****
- The bar graph is stacked (blue) to show hydrants that are inaccessible. Inaccessible hydrants are not measured against the target of 91

Fire Hydrant Inspection

- Bar graph shows the total number of Fire and EMS hydrant inspections per month

Fire Hydrant Repairs

- Bar graph shows the total number of fire hydrants repaired per month

Fire Hydrant Replacements

- Bar graph shows the total number of hydrants replaced per month against target of 21; indicated by grey dotted line. This element is dynamically color coded***

Total Applications Processed within Service Level Agreement (SLA)

- Bar graph shows
 - the number of permits processed per month(dark blue)
 - the number of permits processed within SLA per month(light blue)
- Line graph denoted by (O) shows the percentage of permits processed vs. processed within SLA

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or higher than budget or target	Red- when the actual is higher than 5% of budget or target Yellow- when the actual is within 5% of budget or target Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

- Bar graph shows monthly SPLASH contributions
- Line graph denoted by (Δ) shows the YTD contributions against target (O). This element is color coded***

Customer Assistance Program (CAP)

- Bar graph shows monthly CAP assistance
- Line graph denoted by (Δ) shows the YTD contributions against budget (O). This element is color coded***

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

- Line graph denoted by (Δ, O) shows semi-annual LCR monitoring results against target of 15ppb; indicated by grey dotted line. This element is color coded****

Total Coliform Rule (TCR)

- Line graph denoted by (Δ) shows total coliform positives against the EPA maximum contaminant level of 5%. This element is color coded****

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

- Line graph denoted by (Δ) shows monthly total nitrogen level against the current permit (dark grey) and 2015 permit (light grey) levels. This element is color coded****

Plant Influent Flow

- Line graph denoted by (Δ) shows monthly influent flow against the plant design average limit of 370MGD. This element is color coded****

Excess Flow

- Line graph denoted by (Δ) shows monthly excess flow

Water Main Leaks

- Bar graph shows the water main leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water main leaks reported for the given month
- Line graph denoted by (O) shows the number of main leaks repaired per month

Water Valve Leaks

- Bar graph shows the water valve leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water valve leaks reported for the given month
- Line graph denoted by (O) shows the number of valve leaks repaired per month

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target	Red- when the actual is higher than 5% of budget or target
Yellow- when the actual is within 5% of budget or target	Yellow- when the actual is within 5% of budget or target
Green- when the actual is equal to or higher than budget or target	Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

Non Revenue Water

- Bar graph shows the volume of water purchased(dark blue) and water sold(light blue) per quarter
- Line graph denoted by (Δ, O) shows the Infrastructure Leakage Index(ILI) for the current and previous year

Sewer Main Backups

- Bar graph shows the sewer main backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer main backups reported for the given month
- Line graph denoted by (O) shows the number of main backups resolved per month

Sewer Lateral Backups

- Bar graph shows the sewer lateral backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer laterals backups reported for the given month
- Line graph denoted by (O) shows the number of lateral backups resolved per month

Combined Sewer dry weather Overflow (CSO) Events

- Bar graph shows dry weather CSO events per month
- Line graph denoted by (O) shows the volume in Million Gallons(MG) per dry weather CSO event

Open Positions

- Bar graph (dark blue) shows open positions carried over from the previous month.
- Bar graph (light blue) shows new positions added in the given month.
- Bar graph (olive green) shows positions filled in the given month.
- Bar graph (orange) shows positions cancelled in the given month.
- Bar graph (light green) shows net remaining open positions at the end of the given month.

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

- Shows a monthly breakdown by service area of electricity usage
- Dark blue shows for Waste Water Treatment Service Area
- Light blue shows Water Pumping Service Area
- Brown shows Sewer Pumping Service Area

Employee Lost Time Incidence Rate

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.0; indicated by grey dotted line. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Contractor Lost Time Incidence Rate

- Bar graph shows quarterly Contractor Lost Time (LT) incidence rate. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Dynamic Color Coding Legend

***	****
<p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

Vendor Payment Performance

- Bar graph shows monthly Vendor Payment Performance percentage against monthly target of 97%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (O) shows the YTD vendor payment performance %.

Dynamic Color Coding Legend

***	****
<p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)



District of Columbia Water and Sewer Authority

Summary of Contracts on Consent Agenda

198th Meeting of the DC Water Board of Directors

Thursday, May 1, 2014

Joint-Use Contract

1. Resolution No. 14-17– Execute for a ninety (90) day extension to Contract No. WAS-10-008-AA-JB, Colonial Chemical Solutions. The purpose of the contract is to provide methanol to Blue Plains Advanced Wastewater Treatment Plant. The change amount is \$2,457,000.00.
2. Resolution No. 14-18- Execute Option Year Two (2) of Contract No. WAS-12-007-AA-SH, Nutri-Blend, Inc. The purpose of this contract is to distribute recycle biosolids to farms, compost facilities, and reclamation sites in the mid-Atlantic region. The contract amount is \$7,662,750.00
3. Resolution No. 14-19- Execute Option Year One (1) of Contract No. WAS-13-014-AA-RE, Tricon of Washington, DC, Inc. The purpose of this contract is to supply and deliver granular high calcium quicklime to Blue Plains Wastewater Treatment Plant. The contract amount is \$1,886,800.00
4. Resolution No. 14-20- Execute Contract No. 130240 Anchor Constructions Corp. The purpose of this contract is to provide repairs and extensions to the sewer system on an as needed basis during normal work hours and provide limited 24 hour emergency work. The contract amount is \$18,377,428.50
5. Resolution No.14-21- Execute Contract No. WAS-11-009-AA-MB, MB Staffing Services, LLC. The purpose of this contract is for the provision of temporary staffing services for DC Water on an as needed basis. The contract amount is \$290,000.
6. Resolution No. 14-22- Execute Contract No. DCFA #459-WSA, O'Brien & Gere/Arcadis Joint Venture. The purpose of this contract is to provide professional engineering and related services pertaining to construction management. The contract amount is \$15,000,000.00

7. Resolution No. 14-23- Execute Contract No. DCFA #464-WSA, URS Corporation. The purpose of this contract is to provide professional engineering and related services pertaining to construction management. The contract amount is \$15,000,000.00
8. Resolution No. 14-24-Execute Contract No. DCFA #461-WSA Whitman, Requardt & Associates, LLP/Johnson, Mirmiran & Thompson, Inc. The purpose of this contract is to provide professional architectural/engineering and related environmental services for infrastructure and facilities. The contract amount is \$8,000,000.
9. Resolution No. 14-25- Execute Contract No. DCFA#432-WSA Hazen and Sawyer Environmental Engineers & Scientists, The purpose of this contract is to provide professional architectural/engineering and related environmental services for infrastructure and facilities. The contract amount is \$8,000,000.
10. Resolution No. 14-26- Execute Change Order No. 18 of Contract No. 100120, PC/CDM Joint Venture. The purpose of this contract is to provide the final design and construction of Biosolids Management Program. The change amount is \$880,000.
11. Resolution No. 14-27- Execute Contract No. WAS-10-025-AA-RE, Kuehne Chemical Company, Inc. The purpose of this contract is to provide liquid sodium hydrochloride for use as a disinfectant and odor control of the collected wastewater. The contract amount is \$744,140.00
12. Resolution No. 14-28- Execute Contract No. 130020, Corman Construction, Inc. The purpose of this contract is to provide the final design and construction of Division I- Main Pumping Station Diversions in support of the DC Clean Rivers Project. The contract amount is \$53,321,798.00.
13. Resolution No. 14-29- Execute Contract No. WAS-12-020-AA-CE, U.S. Peroxide, LLC. The purpose of this contract is to furnish and dispense chemicals to mitigate odor problem along the Potomac Interceptor. The contract amount is \$350,000.00
14. Resolution No. 14-30- Execute Contract No. 14-PR-CFO-01, McGladrey, LLP. The purpose of this contract is to provide internal audit functions for DC Water. The contract amount is \$4,290,000.
15. Resolution No. 14-30- Execute Contract No. 14-PR-CFO-02, TD Bank, N.A. The purpose of this contract is to provide internal audit functions for DC Water. The contract amount is \$229,765.74

Non-Joint Use Contract

1. Resolution 14-33- Execute Contract No. 130130, Environmental Design and Construction. The purpose of this contract is to implement recommendations

made in the individual storage facilities inspection report and correct items noted in the EPA Sanitary Survey. The contract amount is \$1,594,189.

Presented and Adopted: May 1, 2014

SUBJECT: Adoption of Collective Bargaining Agreement on Working Conditions between DC Water and AFSCME Local 2091

**#14-16
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 May 1, 2014, upon consideration of a joint-use matter, decided by a vote of () in favor and () opposed, to take the following action with respect to approval of the proposed Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of State, County, and Municipal Employee Local 2091.

WHEREAS, the District of Columbia Public Employee Relations Board (PERB) has certified the American Federation of State, County, and Municipal Employees ("AFSCME") Local 2091, as the exclusive collective bargaining agent for matters concerning working conditions; and

WHEREAS, representatives of the Authority and the Union have bargained in good faith pursuant to law to achieve a successor Agreement on Working Conditions; and

WHEREAS, the Human Resources and Labor Relations Committee met on April 10, 2014, and has recommended that the Board approve execution of this Master Agreement on Compensation; and

WHEREAS, the proposed working conditions agreement constitutes a joint effort by the Union and the Authority to assure fairness to employees and efficient management by the Authority.

NOW THEREFORE BE IT RESOLVED:

1. The Board approves the Collective Bargaining Agreement on Working Conditions between DC Water and the American Federation of State, County, and Municipal Employees Local 2091.
2. This Working Conditions Agreement shall be effective, in accordance with its terms, for the period commencing on the date of full execution and ending on September 30, 2017.
3. The Chairman of the Board, the Chairman of the Human Resources and Labor Relations Committee and the General Manager are authorized to execute this Working Conditions Agreement.
4. The General Manager is authorized to take all actions necessary to fully implement this Working Conditions Agreement.

Secretary to the Board of Directors

Presented and Adopted: May 1, 2014

SUBJECT: Approval to Execute a Ninety (90) day Extension to Contract No. WAS-10-008-AA-JB, Colonial Chemical Solutions, Inc.

**#14-17
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute a ninety (90) day extension to Contract No. WAS-10-008-AA-JB, Colonial Chemical Solutions, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a ninety (90) day extension to Contract No. WAS-10-008-AA-JB, Colonial Chemical Solutions, Inc. The purpose of the extension is to continue providing methanol to ensure compliance with Environmental Protection agency regulations and National Pollutant Discharge Elimination System permit requirements. The contract extension amount is \$2,457,000.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION

SUPPLY AND DELIVERY OF METHANOL

(Joint Use)

Approval for a ninety (90) day extension of a contract for methanol in the amount of \$2,457,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Colonial Chemical Solutions, Inc. PO Box 576 Savannah, GA 31402	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$6,135,831.00
Original Contract Dates:	04-07-2010 — 04-06-2011
No. of Option Years in Contract:	4
Option Year (1-3) Values:	\$23,171,632.00
Option Year (1-3) Dates:	04-07-2011 — 04-06-2014
Contract Modification Value:	\$0.00
Contract Modification Dates:	04-07-2014 — 05-06-2014
This Contract Modification Value:	\$2,457,000.00
This Contract Modification Dates:	05-07-2014 — 08-05-2014

Purpose of the Contract:

To provide methanol to Blue Plains Advanced Wastewater Treatment Plant.

Contract Scope:

To provide methanol to ensure compliance with Environmental Protection Agency regulations and National Pollutant Discharge Elimination System permit requirements.

Spending Previous Year:

Cumulative Contract Value:	04-07-2010 to 05-06-2014—\$29,307,463.00
Cumulative Contract Spending:	04-07-2010 to 04-15-2014—\$29,128,143.43

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

PROCUREMENT INFORMATION

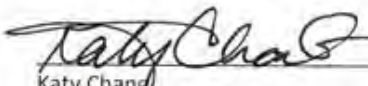
Contract Type:	Firm Fixed Unit Price	Award Based On:	Lowest Responsive and Responsible Bidder
Commodity:	Methanol	Contract Number:	WAS-10-008-AA-JB
Contractor Market:	Open Market with Preference Points for LSBE/LBE		

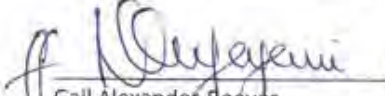
BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Service Area:	Blue Plains AWTP	Department Head:	Aklile Tesfaye


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	43.70%	\$ 1,073,709.00
Washington Suburban Sanitary Commission	41.43%	\$ 1,017,935.00
Fairfax County	10.33%	\$ 253,808.00
Loudoun County Potomac Interceptor	3.93%	\$ 96,560.00
Potomac Interceptor	.61%	\$ 14,988.00
TOTAL ESTIMATED DOLLAR AMOUNT		\$ 2,457,000.00

 / 4-16-14
 Katy Chang Date
 Acting Director of Procurement

 / 4/16/14
 Gail Alexander-Reeves Date
 Director of Budget

 / 4/28/14
 Walter F. Bailey Date
 Assistant General Manager, Blue Plains

 / 4/24/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute Option Year Two of Contract No.
WAS-12-007-AA-SH, Nutri-Blend, Inc.**

**#14-18
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year Two of Contract No. WAS-12-007-AA-SH, Nutri-Blend, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two of Contract No. WAS-12-007-AA-SH, Nutri-Blend, Inc. The purpose of the option is to distribute recycle biosolids to farms, compost facilities, and reclamation sites in the mid-Atlantic region. The option amount is \$7,662,750.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION

**BIOSOLIDS MANAGEMENT
(JOINT USE)**

Approval to execute option year two (2) of a contract for biosolids management in the amount of \$7,662,750.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Nutri-Blend, Inc. P.O. Box 38060 Richmond, VA 23231	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value,:	\$11,457,422.00
Original Contract Dates:	05-01-2012 – 04-30-2013
No. of Option Years in Contract:	4
Option Year (1) Value:	\$11,457,422.00
Option Year (1) Dates:	05-01-2013 – 04-30-2014
This Option Year (2) Value:	\$7,662,750.00
This Option Year (2) Dates:	05-01-2014 – 04-30-2015
Unit Cost for Second Option Year:	\$30.55 per wet ton
Percent Increase in Unit Cost:	0%*
Quantity for Second Option Year:	273,750 wet tons

Purpose of the Contract:

To distribute recycle biosolids to farms, compost facilities, and reclamation sites in the mid-Atlantic region.

Contract Scope:

To remove biosolids from the dewatered biosolids loading facility.

Price Modifications:

None

Spending Previous Years:

Cumulative Contract Value: 05/01/2012 – 04/30/2014 - \$22,914,844.50
 Cumulative Contract Spending: 05/01/2012 – 04/14/2014 - \$21,858,473.48

Contractor's Past Performance:

The contractor's performance has been satisfactory.

***Note:** The price for option year two remains the same as for the base year at \$30.55 per wet ton, at an estimated annual quantity of 273,750 wet tons totaling \$8,363,062; the fuel costs for transportation for this tonnage total \$3,094,360.00.

PROCUREMENT INFORMATION

Contract Type:	Firm Fixed Unit Price	Award Based On:	Highest-Ranked RFP
Commodity:	Services	Contract Number:	WAS-12-007-AA-SH
Contractor Market:	Open Market with Preference Points for LSBE/LBE		


BUDGET INFORMATION

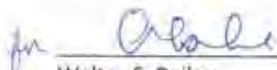
Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains AWTP	Department Head:	Aklile Tesfaye

USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	43.70%	\$3,348,621.75
Washington Suburban Sanitary Commission	41.43%	\$3,174,677.33
Fairfax County	10.33%	\$791,562.08
Loudon County	3.93%	\$301,146.08
Potomac Interceptor	0.61%	\$46,742.78
Total	100.00%	\$7,662,750.00

 4.16.14
 Katy Chang Date
 Acting Director of Procurement

 04/16/14
 Gail Alexander-Reeves Date
 Director of Budget

 4/25/14
 Walter F. Bailey Date
 Assistant General Manager, Blue Plains

 4/24/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute Option Year One of Contract No.
WAS-13-014-AA-RE, Tricon of Washington, DC, Inc.**

**#14-19
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Option Year One of Contract No. WAS-13-014-AA-RE, Tricon of Washington, DC, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One of Contract No. WAS-13-014-AA-RE, Tricon of Washington, DC, Inc. The purpose of the option is to supply and deliver granular high calcium quicklime to Blue Plains Wastewater Treatment Plant. The option amount is \$1,886,800.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT MODIFICATION
SUPPLY AND DELIVERY OF GRANULAR HIGH CALCIUM QUICKLIME
(Joint Use)**

Approval to execute option year one (1) for a contract for supply and delivery granular high calcium quicklime in the amount of \$1,886,800.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Tricon of Washington, DC, Inc. 1702 Minnesota Avenue, SE Washington, DC 20020 LBE/LSBE	SUBS: N/A	PARTICIPATION: 100%
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$3,198,206.00
Original Contract Dates:	03-25-2013 - 03-24-2014
No. of Option Years in Contract:	2
Contract Modification Value:	\$450,000.00
Contract Modification Dates:	03-25-2014 - 05-24-2014
This Option Year (1) Value:	\$1,886,800.00
This Option Year (1) Dates:	05-25-2014 - 03-24-2015

Purpose of the Contract:

To supply and deliver granular high calcium quicklime to Blue Plains Wastewater Treatment Plant.

Contract Scope:

To supply and deliver granular quicklime for the purpose of lime stabilization of wastewater solids to meet environmental standard and regulations, permit requirements, and to achieve a suitable quality of material for application on agricultural lands.

Spending Previous Year:

Cumulative Contract Value:	03-25-2013 to 05-24-2014—\$3,648,206.00
Cumulative Contract Spending:	03-25-2013 to 04-15-2014—\$3,201,753.27

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note:

Through successful negotiations, DC Water was able to reduce the freight rate to \$0.24 per ton, for an annual savings of \$5,280.00.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price Requirement	Award Based On:	Lowest Responsive, Responsible Bidder
Commodity:	Granular Quicklime	Contract Number:	WAS-13-014-AA-RE
Contractor Market:	Open Market with Preferences for LSBE/LBE		

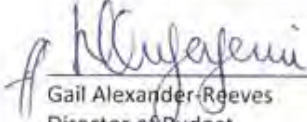
BUDGET INFORMATION

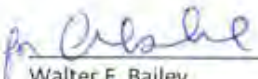
Funding:	Operating	Department:	Wastewater Treatment
Service Area:	Blue Plains AWTP	Department Head:	Aklile Tesfaye

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	43.70%	\$ 824,532.00
Washington Suburban Sanitary Commission	41.43%	\$ 781,701.00
Fairfax County	10.33%	\$ 194,906.00
Loudoun County	3.93%	\$ 74,151.00
Potomac Interceptor	.61%	\$ 11,509.00
TOTAL ESTIMATED DOLLAR AMOUNT		\$ 1,886,800.00


 Katy Chang, 4/16/14
 Acting Director of Procurement


 Gail Alexander-Reeves, 4/16/14
 Director of Budget


 Walter F. Bailey, 4/28/14
 Assistant General Manager, Blue Plains


 George S. Hawkins, 4/29/2014
 General Manager

Presented and Adopted: May 1, 2014
SUBJECT: Approval to Execute Contract No. 130240
Anchor Construction Corp.

#14-20
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") at its meeting on May 1, 2014, upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Contract No. 130240, Anchor Construction Corp.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130240, Anchor Construction Corp. The purpose of the contract is to provide repairs and extensions to the sewer system on an as-needed basis during normal work hours and provide limited 24-hour emergency work. The contract amount is \$18,377,428.50

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**Emergency Sanitary Sewer, Combined and Stormwater Rehabilitation
Contract For FY14 - FY17
(Joint Use)**

Approval to execute a construction contract for \$ 18,377,428.50.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Anchor Construction Corp. 2254 25 th Place, NE Washington, DC 20018 (LBE)		

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 18,377,428.50
Contract Time:	1095 Days (3 Years)
Anticipated Contract Start Date:	07-15-2014
Anticipated Contract Completion Date:	07-14-2017
Bid Opening Date:	03-19-2014
Bids Received:	3
Other Bids Received:	
Corinthian Contractors, Inc.	\$ 21,294,887.30
Fort Myer Construction Corp.	\$ 22,393,597.35

Purpose of the Contract:

Provide repairs and extensions to the sewer system on an as-needed basis during normal work hours and provide limited 24-hour emergency work. This contract allows DC Water to strategically utilize a combination of Sewer Services crews and contractor crews to respond to emergency conditions impacting the sewer system and when the backlog of scheduled work exceeds DC Water crews' ability to respond within a reasonable period of time.

If water main repair demands become critical and it is deemed to be in the best interest of DC Water, emergency water work may be assigned to emergency crews provided by this contract.

The quantities established for this contract were estimated and were used for the purpose of comparing the bids. Actual quantities assigned during the contract will be based on priority of types of repairs required.

Contract Scope:

- Sewer cleaning
- Sewer repairs
- Emergency sewer repairs

Federal Grant Status:

- Construction Contract is not eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130240
Contractor Market:	Open Market with Preference		

BUDGET INFORMATION

Funding:	Capital	Department:	Sewer Services
Service Area:	Sanitary Sewer, Combined Sewer Overflow, Stormwater	Department Head:	Cuthbert Braveboy
Project:	D6, DI, DJ, DW, DX, FP and FN		


ESTIMATED USER SHARE INFORMATION


User	Share %	Dollar Amount
District of Columbia	*	*
Federal Funds	*	*
Washington Suburban Sanitary Commission	*	*
Fairfax County	*	*
Loudoun County & Potomac Interceptor	*	*
Total Estimated Dollar Amount	100.00%	\$ 18,377,428.50

* Work (including Joint Use work) under this contract will be assigned, as needed, under specific task orders over the contract period. It is anticipated that, as tasks are developed for work associated with specific Projects, and costs are developed, the User Shares will be determined, and billed accordingly.


 Gail Alexander-Reeves
 Director of Budget
 Date 4/4/14


 Katy Chang
 Acting Director of Procurement
 Date 4-7-14


 Charles W. Kiely
 Assistant General Manager, Customer Care and Operations
 Date 4/24/14


 George S. Hawkins
 General Manager
 Date 4/24/2014

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute a Modification for Contract No.
WAS-11-09-AA-MB, MB Staffing Services, LLC**

**#14-21
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to a modification for Contract No. WAS-11-09-AA-MB, MB Staffing Services, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a modification for Contract No. WAS-11-09-AA-MB, MB Staffing Services, LLC. The purpose of the contract is for the provision of temporary staffing services for the District of Columbia Water and Sewer Authority on an as needed basis. The contract modification amount is \$290,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION:

**Temporary Staffing Services
(Joint - Use)**

Approval to execute a modification for a contract for temporary staffing services in the amount of \$290,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: MB Staffing Services, LLC 819 7 th Street , NW Washington, DC 20001 LSBE	SUBS: N/A	PARTICIPATION: 100%
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$200,000.00
Original Contract Dates:	10-01-2011—09-30-2012
No. of Option Years in Contract:	4
Option Year (1-2) Value:	\$700,000.00
Option Year (1-2) Dates:	10-01-2012—09-30-2014
Contract Modification Value:	\$68,166.48
Contract Modification Dates:	09-23-2013—09-30-2013
This Contract Modification Value:	\$290,000.00
This Contract Modification Dates:	05-01-2014—09-30-2014

Purpose of the Contract:

To contract for the provision of temporary staffing services for the District of Columbia Water and Sewer Authority (DC Water) on an as needed basis.

Spending Previous Year:

Cumulative Contract Value:	10-01-2011 to 09-30-2014—\$968,166.48
Cumulative Contract Spending:	10-01-2011 to 03-31-2014—\$706,582.31

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

PROCUREMENT INFORMATION

Contract Type:	Requirements Contract/Labor Hour	Award Based On:	Highest Rated Offeror
Commodity:	Temporary Staffing Services	Contract Number:	WAS-11-009-AA-MB
Contractor Market:	Open Market with Preference Points for Local and Local Small Business Enterprise		

BUDGET INFORMATION

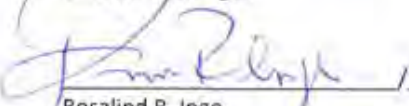
Funding:	Operation	Department:	Human Capital Management
Service Area:	DC Water Wide	Department Head:	Rick Green

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	83.78%	\$242,962.00
Washington Suburban Sanitary Commission	11.84%	\$ 34,336.00
Fairfax County	3.03%	\$ 8,787.00
Loudoun County	1.17%	\$ 3,393.00
Potomac Interceptor	0.18%	\$ 522.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$ 290,000.00

 4.7.14
 Katy Chang Date
 Acting Director of Procurement

 4/19/14
 Gail Alexander-Reeves Date
 Director of Budget

 4/9/14
 Rosalind R. Inge Date
 Acting Assistant General Manager
 Support Services

 4/24/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute Contract No. DCFA 459-WSA,
O'Brien & Gere / Arcadis Joint Venture**

**#14-22
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No, DCFA 459-WSA, O'Brien & Gere / Arcadis Joint Venture.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA 459-WSA, O'Brien & Gere / Arcadis Joint Venture. The purpose of the contract is to provide professional engineering and construction management services for a construction program of multiple construction contracts.to rehabilitate and/or replace water and sewer pipelines, pumping stations, and storage facilities. The contract not to exceed amount is \$15,000,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES:

**Construction Management Services - 4E
(Joint Use)**

Approval to execute an engineering services contract not to exceed \$15,000,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
O'Brien & Gere / Arcadis Joint Venture 8201 Corporate Drive Suite 280 Landover, MD 20785	Bryant Associates, Inc. Landover, MD	MBE 28%
	Robert Balter Co. Owings Mills, MD	WBE 2.5%
	DP Consultants Washington, DC	WBE 1.5%
	BVF Engineering, Inc. Washington, DC	MBE 3%
	Meyer Consulting Engineers Corp. Rockville, MD	1.5%
	Tank Industry Consultants Indianapolis, IN	1.5%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$15,000,000.00
 Contract Time: 1461 Days (4 Years)
 Anticipated Contract Start Date: 07-14-2014
 Anticipated Contract Completion Date: 07-13-2018

Other firms submitting proposals/qualification statements: (* Asterisk indicates short listed firms.)

- Gannett Fleming-Hill International JV
- *Hazen & Sawyer
- Johnson, Mirmiran & Thompson, Inc
- *Louis Berger Water Services, Inc.
- Rummel, Klepper & Kahl, LLP
- *URS Corporation
- WR&A / Alpha / DFI JV

Purpose of the Contract:

To provide professional engineering and related services pertaining to construction management services for the management of a construction program consisting of multiple construction contracts to rehabilitate and/or replace water and sewer pipelines, pumping stations, and storage facilities.

Contract Scope:

- Perform engineering reviews including schedules, biddability and constructability, shop drawings, as-built drawings, cost estimates, schedules and other construction contractor submittals.
- Coordinate reviews of deliverables, invoices and recommendations to DC Water regarding payments,
- Provide change management process support; including preparation and negotiation of change orders, task orders and agreements, and claims avoidance/mitigation procedures.

- Provide resident engineering, inspection services, safety and materials testing.
- Coordinate inter-agency, intra-agency, utility coordination and public relations program support.
- Provide Quality Assurance and Quality Control Program.

PROCUREMENT INFORMATION

Contract Type:	Cost Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Services	Contract Number:	DCFA #459-WSA
Contractor Market:	Open Market		


BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water, Sanitary Sewer, Stormwater, Combined Sewer Overflow	Department Head:	David McLaughlin
Project:	HE, HV, JB, FA, MA, MQ, MR, DE, F1, F6, IA, FX, G1, FZ, G7		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	*	*
Federal Funds	*	*
Washington Suburban Sanitary Commission	*	*
Fairfax County	*	*
Loudoun County & Potomac Interceptor	*	*
Total Estimated Dollar Amount	100.00%	\$15,000,000.00

* Work (including Joint Use work) under this contract will be assigned, as needed, under specific task orders over the contract period. It is anticipated that, as tasks are developed for work associated with specific Projects, and costs are developed, the User Shares will be determined, and billed accordingly.


 Gail Alexander-Reeves Date
 Director of Budget


 Katy Chang Date
 Acting Director of Procurement


 Leonard R. Benson Date
 Chief Engineer


 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

SUBJECT: Approval to Execute Contract No. DCFA 464-WSA, URS Corporation

**#14-23
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No, DCFA 464-WSA, URS Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA 464-WSA, URS Corporation. The purpose of the contract is to provide professional engineering and construction management service for the management of a construction program consisting of multiple construction contracts to rehabilitate and/or replace water and sewer pipeline, pumping stations, and storage facilities. The contract amount is \$15,000,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES:

**Construction Management Services - 4F
(Joint Use)**

Approval to execute an engineering services contract not to exceed \$15,000,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
URS Corporation 2020 K Street, NW Suite 300 Washington, DC 20006	Brian Smith Construction Inspection Washington, DC	MBE 3%
	Chester Engineers Pittsburgh, PA	MBE 6%
	Cube Root Corporation Washington, DC	MBE 6%
	EBA Engineering Baltimore, MD	MBE 5%
	Sheladia Associates Rockville, MD	MBE 4%
	Techno Consult, Inc. New York, NY	MBE 4%
	DP Consultants, Inc. Washington, DC	WBE 3%
	SZ PM Consultants Vienna, VA	WBE 2%
	ATCS, PLC Herndon, VA	10%
	Greeley and Hansen Springfield, VA	15%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$15,000,000.00
 Contract Time: 1461 Days (4 Years)
 Anticipated Contract Start Date: 07-14-2014
 Anticipated Contract Completion Date: 07-13-2018

Other firms submitting proposals/qualification statements: (* Asterisk indicates short listed firms.)

- Gannett Fleming-Hill International JV
- *Hazen & Sawyer
- Johnson, Mirmiran & Thompson, Inc
- *Louis Berger Water Services, Inc.
- *O'Brien & Gere / Arcadis JV
- Rummel, Klepper & Kahl, LLP
- WR&A / Alpha / DFI JV

Purpose of the Contract:

To provide professional engineering and related services pertaining to construction management services for the management of a construction program consisting of multiple construction contracts to rehabilitate and/or replace water and sewer pipelines, pumping stations, and storage facilities.

Contract Scope:

- Perform engineering reviews including schedules, biddability and constructability, shop drawings, as-built drawings, cost estimates, schedules and other construction contractor submittals.
- Coordinate reviews of deliverables, invoices and recommendations to DC Water regarding payments.
- Provide change management process support; including preparation and negotiation of change orders, task orders and agreements, and claims avoidance/mitigation procedures.
- Provide resident engineering, inspection services, safety and materials testing.
- Coordinate inter-agency, intra-agency, utility coordination and public relations program support.
- Provide Quality Assurance and Quality Control Program.

PROCUREMENT INFORMATION

Contract Type:	Cost Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Services	Contract Number:	DCFA #464-WSA
Contractor Market:	Open Market		


BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water, Sanitary Sewer, Stormwater, Combined Sewer Overflow	Department Head:	David McLaughlin
Project:	FX, G1, G9, GA, GB, J3, O2, I8, FQ, EJ		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	*	*
Federal Funds	*	*
Washington Suburban Sanitary Commission	*	*
Fairfax County	*	*
Loudoun County & Potomac Interceptor	*	*
Total Estimated Dollar Amount	100.00%	\$15,000,000.00

* Work (including Joint Use work) under this contract will be assigned, as needed, under specific task orders over the contract period. It is anticipated that, as tasks are developed for work associated with specific Projects, and costs are developed, the User Shares will be determined, and billed accordingly.


 Gail Alexander-Reeves
 Director of Budget
 Date: 4/4/14


 Katy Chang
 Acting Director of Procurement
 Date: 4-7-14


 Leonard R. Benson
 Chief Engineer
 Date: 4-4-14


 George S. Hawkins
 General Manager
 Date: 4/24/2014

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute Contract No. DCFA 461-WSA,
Whitman, Requardt & Associates, LLP/Johnson, Mirmiran
& Thompson, Inc. JV**

**#14-24
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. DCFA 461-WSA, Whitman, Requardt & Associates, LLP/Johnson, Mirmiran & Thompson, Inc. JV.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA 461-WSA, Whitman, Requardt & Associates, LLP/Johnson, Mirmiran & Thompson, Inc. JV. The purpose of the contract is to provide professional architectural/engineering and related environmental services for infrastructure and facilities under a Basic Ordering Agreement. The contract amount is not to exceed \$8,000,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES:

**Basic Ordering Agreement XIII – Infrastructure and Environmental Assessment
(Joint Use)**

Approval to execute an architectural and engineering services contract not to exceed \$8,000,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Whitman, Requardt & Associates, LLP/ Johnson, Mirmiran & Thompson, Inc. JV 801 South Caroline Street Baltimore, MD 21231	Chesapeake Environmental Bel Air, MD	MBE 10%
	Savin Engineers, P.C. Washington, DC	MBE 10%
	Sigma Associates, Inc. Washington, DC	MBE 10%
	Coastal Resources, Inc. Annapolis, MD	WBE 4%
	The Robert B. Balter Company Owings Mills, MD	WBE 2%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$8,000,000
 Contract Time: 1825 Days (5 Years)
 Anticipated Contract Start Date: 07-01-2014
 Anticipated Contract Completion Date: 06-30-2019
 Other firms submitting proposals/qualification statements: (* Asterisk indicates short listed firms.)

Brown and Caldwell	O'Brien & Gere Engineers
CDM Smith	Pennoni Associates / Gannett Fleming
*CH2M Hill	Prime Engineering Inc.
Chester Engineers	Rummel, Klepper & Kahl, LLP
*Hazen and Sawyer	*Stantec / Greeley and Hansen
Louis Berger	

Purpose of the Contract:

To provide professional architectural/engineering and related environmental services for infrastructure and facilities under a Basic Ordering Agreement.

Work will be assigned as task orders on an as needed basis.

Contract Scope:

- Tasks to be performed include, but are not limited: civil engineering; structural engineering; bidding services; topographical survey; research in the office of the surveyor to determine right-of-way, easement, and other access rights; geotechnical and/or geophysical investigation; NEPA compliance; wetlands permitting and design; surface water hydrology and hydraulics; stream remediation and design for asset protection; vegetation protection and restoration; historic and archeological preservation/permitting; rare, threatened, and endangered species regulation compliance; and other environmental permitting assistance.
- Design phases will include Concept Finalization Report (CFR), Intermediate, Pre-Final, and Final.
- Projects may be located in the water distribution and sewer collection systems including elevated water storage.
- Projects are likely to include rehabilitation and replacement of water and sewer pipeline infrastructure and new water storage facilities.

PROCUREMENT INFORMATION

Contract Type:	Lump Sum and Cost plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Design Services	Contract Number:	DCFA#461-WSA
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary Sewer, Combined Sewer Overflow, Stormwater, Water	Department Head:	David McLaughlin
Project:	N7, HT, MR, IL, IM, LZ, FY, F6, IK		

ESTIMATED USER SHARE INFORMATION


User	Share %	Dollar Amount
District of Columbia	*	*
Federal Funds	*	*
Washington Suburban Sanitary Commission	*	*
Fairfax County	*	*
Loudoun County & Potomac Interceptor	*	*
Total Estimated Dollar Amount	100.00%	\$8,000,000.00

* Work (including Joint Use work) under this contract will be assigned, as needed, under specific task orders over the contract period. It is anticipated that, as tasks are developed for work associated with specific Projects, and costs are developed, the User Shares will be determined, and billed accordingly.


 Gail Alexander-Reeves Date
 Director of Budget


 Katy Chang Date
 Acting Director of Procurement


 Leonard R. Benson Date
 Chief Engineer


 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

SUBJECT: Approval to Execute Contract No. DCFA 462-WSA, Hazen and Sawyer Environmental Engineers & Scientists

**#14-25
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. DCFA 462-WSA, Hazen and Sawyer Environmental Engineers & Scientists.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA 462-WSA. Hazen and Sawyer Environmental Engineers & Scientists. The purpose of the contract is to provide architectural/engineering and related environmental services for infrastructure and facilities under a Basic Ordering Agreement. The contract amount is not to exceed \$8,000,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES:

**Basic Ordering Agreement XIV– Infrastructure and Environmental Assessment
(Joint Use)**

Approval to execute an architectural and engineering services contract not to exceed \$8,000,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Hazen and Sawyer Environmental Engineers & Scientists 4305 Ridge Top Road Suite 400 Fairfax, VA 22030	Chesapeake Environmental Mgt., Inc. Bel Air, MD MBE	10%
	Straughan Environmental Columbia, MD MBE	10%
	C.C. Johnson & Malhotra Washington, DC MBE	7.5%
	EBA Engineering, Inc. Laurel, MD MBE	2.5%
	Sigma Associates, Inc. Washington, DC WBE	3.5%
	The Robert B. Balter Company Owings Mills, MD WBE	1.5%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$8,000,000
 Contract Time: 1,825 Days (5 Years)
 Anticipated Contract Start Date: 07-01-2014
 Anticipated Contract Completion Date: 06-30-2019

Other firms submitting proposals/qualification statements: (* Asterisk indicates short listed firms.)

Brown and Caldwell	Pennoni Associates / Gannett Fleming
CDM Smith	Prime Engineering Inc.
*CH2M Hill	Rummel, Klepper & Kahl, LLP
Chester Engineers	*Stantec / Greeley and Hansen
Louis Berger Water Services	*Whitman Requardt & Assoc. / JMT, Inc. JV
O'Brien & Gere Engineers	

Purpose of the Contract:

To provide professional architectural/engineering and related environmental services for infrastructure and facilities under a Basic Ordering Agreement.

Work will be assigned as task orders on an as needed basis.

Contract Scope:

- Tasks to be performed include, but are not limited to: civil engineering; structural engineering; bidding services; topographical survey; research in the office of the surveyor to determine right-of-way, easement, and other access rights; geotechnical and/or geophysical investigation; NEPA compliance; wetlands permitting and design; surface water hydrology and hydraulics; stream remediation and design for asset protection; vegetation protection and restoration; historic and archeological preservation/permitting; rare, threatened, and endangered species regulation compliance; and other environmental permitting assistance.

- Design phases will include Concept Finalization Report (CFR), Intermediate, Pre-Final, and Final.
- Projects may be located in the water distribution and sewer collection systems including elevated water storage.
- Projects are likely to include rehabilitation and replacement of water and sewer pipeline infrastructure and new water storage facilities.

PROCUREMENT INFORMATION

Contract Type:	Lump Sum and Cost plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Design Services	Contract Number:	DCFA#462-WSA
Contractor Market:	Open Market		


BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary Sewer, Combined Sewer Overflow, Stormwater, Water	Department Head:	David McLaughlin
Project:	MQ, G5, IL, A4, J1, FX, C9		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	*	*
Federal Funds	*	*
Washington Suburban Sanitary Commission	*	*
Fairfax County	*	*
Loudoun County & Potomac Interceptor	*	*
Total Estimated Dollar Amount	100.00%	\$8,000,000.00

* Work (including Joint Use work) under this contract will be assigned, as needed, under specific task orders over the contract period. It is anticipated that, as tasks are developed for work associated with specific Projects, and costs are developed, the User Shares will be determined, and billed accordingly.

 4/14/14
 Gail Alexander-Reeves Date
 Director of Budget

 4.7.14
 Katy Chang Date
 Acting Director of Procurement

 4-4-14
 Leonard R. Benson Date
 Chief Engineer

 4/24/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

SUBJECT: Approval to Execute Change Order No. 18 of Contract No. 100120, PC/CDM Joint Venture

**#14-26
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Change Order No. 18 of Contract No. 100120, PC/CDM Joint Venture.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 18 of Contract No. 100120, PC/CDM Joint Venture. The purpose of the change order is to modify the overflow piping of each digester to control methane gas dispersion that may arise if rapid rise of sludge volume occurs within the MPT digesters. The change order amount is not to exceed \$880,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

DESIGN-BUILD CONTRACT CHANGE ORDER:

**Biosolids Management Program Main Process Train
(Joint Use)**

Approval to execute Change Order No.18 in an amount not to exceed \$880,000. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	*SUBS:	*PARTICIPATION:
PC/CDM Joint Venture 3201 Jermantown Road Suite 400 Fairfax, VA 22030	G & S Valve & Fitting Co. Inc. Guttenberg, NJ MBE A.K. DeRama Mountainside, NJ MBE	15% 0.4%

*This is a design build contract. The design for this change order is almost complete. As the design for this change order progresses and the scope of work is better defined subcontractors and suppliers will be solicited by the Contractor to prosecute the work. The Contractor has committed to exercising its best efforts to meet or exceed the Fair Share Objectives as the final construction needs are identified.

DESCRIPTION AND PURPOSE

Original Contract Value:	\$208,436,000
Value of this Change Order:	\$880,000
Cumulative CO Value, including this CO:	\$6,656,907
Current Contract Value, including this CO:	\$215,092,907
Original Contract Time:	1310 Days (3 Years, 7 Months)
Time extension, this CO:	TBD Days
Total CO contract time extension:	15 Days (0 Years, 0.5 Months)
Contract Start Date (NTP):	06-30-2011
Anticipated Contract Completion Date:	01-30-2015
Cumulative CO % of Original Contract:	3.19%
Contract completion %:	84.26%

Purpose of the Contract:

Provide the final design and construction of Biosolids Management Program – Main Process Train.

Original Contract Scope:

- Design and construct: a raw solids screening building; a pre-dewatering building with parallel trains of centrifuges to produce dewatered solids; four parallel trains of Cambi Thermal Hydrolysis Process; four mesophilic digesters with mixing, gas handling, and feed and withdrawal systems; support systems including odor control, electrical power supply, controls, and interface with Blue Plains' existing Process Control System.

Previous Change Order Scope:

- Adjustment for Davis-Bacon wage rates and for exchange rate for Cambi price.
- Additional length of 48" drilled piers due to differing site conditions encountered. The soil condition encountered was different than what was specified in the Geotechnical Baseline Report.
- Demolition, removal and disposal of the obstructions encountered during the installation of drilled piers in accordance with the foundation design and cost of obtaining the foundation and building permits from DCRA.

- Additional funding for witnessing factory fabrication and testing.
- Upgrades to the Waste Liquor Return Pump Station, including purchase of six (6) new 60 hp submersible pumps, to handle future flow volume when the new Biosolids projects are placed into service.

Current Change Order Scope:

- Modify the overflow piping of each digester to control methane gas dispersion that may arise if rapid rise of sludge volume occurs within the MPT digesters.

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Design and Construction	Contract Number:	100120
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Wastewater Treatment	Department Head:	David McLaughlin
Project:	XA		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$362,736.00
Federal Funds	0.00%	\$0.00
Washington Suburban Sanitary Commission	45.84%	\$403,392.00
Fairfax County	8.38%	\$73,744.00
Loudoun County & Potomac Interceptor	4.56%	\$40,128.00
Total Estimated Dollar Amount	100.00%	\$880,000.00

 1-2/24/14
 Gail Alexander-Reeves Date
 Director of Budget

 4.7.14
 Katy Chang Date
 Acting Director of Procurement

 1-4-14-14
 Leonard R. Benson Date
 Chief Engineer

 4/24/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

SUBJECT: Approval to Execute Option Year Four of Contract No. WAS-10-025-AA-RE, Kuehne Chemical Company, Inc.

**#14-27
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year Four of Contract No. WAS-10-025-AA-RE, Kuehne Chemical Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-10-025-AA-RE, Kuehne Chemical Company, Inc. The purpose of the option is to provide liquid sodium hypochlorite for use as a disinfectant and odor control in the treatment of collected wastewater at the Blue Plains Advanced Wastewater Treatment Plant. The option amount is \$2,744,140.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION:

**LIQUID SODIUM HYPOCHLORITE
(JOINT USE)**

Approval to execute option year four (4) of a contract for liquid sodium hypochlorite in the amount of \$2,744,140.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Kuehne Chemical Company, inc. 86 North Hackensack Avenue South Kearny, New Jersey 07032	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$2,135,812.00
Original Contract Dates:	03-15-2010 – 03-14-2011
No. of Option Years in Contract:	4
Option Year (1-3) Values:	\$9,247,112.00
Option Year (1-3) Dates:	03-15-2011– 03-14-2014
Contract Modification Values:	\$873,113.00
Contract Modification Dates:	10-01-2010 – 05-14-2014
This Option Year (4) Value:	\$2,744,140.00
This Option Year (4) Dates:	05-15-2014 – 03-14-2015

Purpose of the Contract:

To provide liquid sodium hypochlorite for use as a disinfectant and odor control in the treatment of collected wastewater at the Blue Plains Advanced Wastewater Treatment Plant.

Contract Scope:

To supply and deliver 100% of the requirement of this chemical to treat collected wastewater and ensure DC Water compliance with environmental rules and regulations.

Spending Previous Years:

Cumulative Contract Value: 03-15-2010 – 05-14-2014- \$12,256,037.00
 Cumulative Contract Spending: 03-15-2010 – 04-14-2014 - \$9,251,842.00

Contractor's Past Performance:

The contractor's performance has been satisfactory.

Note: Through successful negotiations, DC Water was able to reduce the bid price of \$0.6047 per gallon for option year four (4) to \$0.5765 per gallon for an annual savings of \$134,187.00. For comparison, other water utilities are paying slightly more. Fairfax Water is paying \$0.8775 per gallon and WSSC is paying \$0.930 per gallon.

PROCUREMENT INFORMATION


Contract Type:	Firm Fixed Requirement	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Liquid Sodium Hypochlorite	Contract Number:	WAS-10-025-AA-RE
Contractor Market:	Open Market with Preference Points for LSBE/LBE		

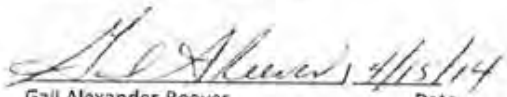
BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains AWTP	Department Head:	Akiile Tesfaye

USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	43.70%	\$1,199,189.18
Washington Suburban Sanitary Commission	41.43%	\$1,136,897.20
Fairfax County	10.33%	\$283,469.66
Loudon County	3.93%	\$107,844.70
Potomac Interceptor	0.61%	\$16,739.25
Total	100.00%	\$2,744,140.00

 4.15.14
 Katy Chang Date
 Acting Director of Procurement

 4/15/14
 Gail Alexander-Reeves Date
 Director of Budget

 4/16/14
 Walter F. Bailey Date
 Assistant General Manager, Blue Plains

 4/24/14
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014
SUBJECT: Approval to Execute Contract No. 130020
Corman Construction, Inc.

#14-28
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 130020, Corman Construction, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130020, Corman Construction, Inc. The purpose of the contract is to provide the final design and construction of Division I – Main Pumping Station Diversions in support of the DC Clean Rivers Project. The contract amount is \$53,321,798.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

DESIGN-BUILD CONTRACT:

**ANACOSTIA RIVER COMBINED SEWER OVERFLOW CONTROL PROJECTS
DIVISION I – MAIN PUMPING STATION DIVERSIONS
(Joint Use)**

Approval to execute a design-build contract for \$ 53,321,798.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Corman Construction, Inc. 12001 Guilford Road Annapolis Junction, MD 20701	MBE/WBE Eligible Amounts:	
	Design: \$3,700,000	28.0%
	MBE \$1,037,000	4.0%
	WBE \$148,000	
	Construction: \$33,771,798	32.7%
	MBE \$11,041,661	6.1%
	WBE <u>\$2,072,458</u>	
	Total Eligible \$37,471,798	
	MBE/WBE Total \$14,299,119	
	See Attachment A for List of Subs.	

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 53,321,798.00
Contract Time:	1228 Days (3 Years, 4 Months)
Anticipated Contract Start Date:	05-15-2014
Anticipated Contract Completion Date:	09-24-2017
Proposal Due Date:	01-31-2014
Number of Firms Submitting Qualifications:	4
Number of Firms Shortlisted:	2

Purpose of the Contract:

Provide the final design and construction of Division I – Main Pumping Station Diversions in support of the DC Clean Rivers Project.

This work is required by a Consent Decree.

Contract Scope:

- Complete design and construct two diversion chambers (CSO 009/011A and CSO 012) which divert flows to a junction chamber equipped with flap valves.
- Construct a surge storage tank and weir, shaft internal structures and air management facilities.
- Construct two aboveground structures for surge protection.
- Construct a 72-inch Tingey Street Sewer extension.

Federal Grant Status:

- Construction Contract is eligible for Federal grant funding assistance: inclusion in grant is pending availability of grant funds.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Design and Construction	Contract Number:	130020
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer Overflow	Department Head:	Carlton Ray
Project:	CY		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	92.90%	\$49,535,950.00
Federal Funds	0.00%*	\$0.00
Washington Suburban Sanitary Commission	5.54%	\$2,954,028.00
Fairfax County	1.01%	\$538,550.00
Loudoun County & Potomac Interceptor	0.55%	\$293,270.00
Total Estimated Dollar Amount	100.00%	\$53,321,798.00

* Eligible for Federal Appropriation Funding. Appropriation funding is insufficient to fund all eligible contracts. Federal Appropriation Funding may be used if additional funding becomes available or if other eligible projects are postponed.

Gail Alexander-Reeves / *4/5/14*
 _____ Date
 Gail Alexander-Reeves
 Director Budget

Katy Chang / *4.7.14*
 _____ Date
 Katy Chang
 Acting Director of Procurement

LR Benson / *4-14-14*
 _____ Date
 Leonard R. Benson
 Chief Engineer

George S. Hawkins / *4/29/2014*
 _____ Date
 George S. Hawkins
 General Manager

DESIGN-BUILD CONTRACT 130020
ANACOSTIA RIVER COMBINED SEWER OVERFLOW CONTROL PROJECTS
DIVISION I – MAIN PUMPING STATION DIVERSIONS

ATTACHMENT A
SUBCONTRACTOR LISTING

DESIGN CONSULTANTS

SUBS:	MBE/WBE	AMOUNT:	PARTICIPATION:
Albrecht Engineering, Inc. Baltimore, MD 21224	WBE	\$37,000	1.0%
Foundation Test Group, Inc. Finksburg, MD 21048	WBE	\$111,000	3.0%
WBE Total Design	WBE	\$148,000	4.0%
E2CR, Inc. Baltimore, MD 21227	MBE	\$630,000	17.0%
Savin Engineers, P.C. Washington, DC 20001	MBE	\$407,000	11.0%
MBE Total Design	MBE	\$1,037,000	28.0%

CONSTRUCTION SUBCONTRONTRACTORS/SUPPLIERS

SUBS:	MBE/WBE	AMOUNT:	PARTICIPATION:
Century Fence Const., LLC Upper Marlboro, MD 20772	WBE	\$76,610	0.2%
Keys Materials & Util., Inc. Mt Airy, MD 21771	WBE	\$1,226,723	3.6%
Quinn Consulting Serv., Inc. Chantilly, VA 20151	WBE	\$538,125	1.6%
Seeram Enterprise. LLC Lanham, MD 20706	WBE	\$231,000	0.7%
WBE Total Construction	WBE	\$2,072,458	6.1%
Prince Construction Co., Inc. Washington, DC 20020	MBE	\$1,413,195	4.2%
Monumental Concrete, LLC Washington DC 20005	MBE	\$1,956,425	5.8%
Carl D Jones Assoc. Glen Burnie, MD 21060	MBE	\$289,725	0.9%
Aver Technologies, Inc. Woodbridge, VA 22193	MBE	\$18,333	0.1%
Horton Mechanical Contr., Inc. Baltimore, MD 21206	MBE	\$172,000	0.5%
Green Petroleum, LLC Clinton, MD 20735	MBE	\$523,985	1.5%
Best Masonry, Inc. Beltsville, MD 20705	MBE	\$300,500	0.9%
Jaxson Point, Inc. King George, VA 22485	MBE	\$647,950	1.9%

Metro Paving Corp. Hyattsville, MD 20781	MBE	\$369,654	1.1%
GE Frisco Company, Inc. Upper Marlboro, MD 20774	MBE	\$3,724,218	11.0%
Bulldog Distribution, LLC Silver Spring, MD 20904	MBE	\$1,625,676	4.8%
MBE Total Construction	MBE	\$11,041,661	32.7%

US EPA Fair Share objective for Design: MBE 28%/WBE 4%
 US EPA Fair Share objective for Construction: MBE 32%/WBE 6%

This is a design build contract. As the design progresses and the scope of work is better defined, additional and alternate subcontractors and suppliers will be solicited by the Contractor to prosecute the work. The Contractor has committed to exercising its best efforts to meet or exceed the MBE/WBE Fair Share Objectives as the final construction needs are identified.

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute Contract No. WAS-12-020-AA-CE
U.S. Peroxide, LLC**

**#14-29
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. WAS-12-020-AA-CE, U.S. Peroxide, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. WAS-12-020-AA-CE, U.S. Peroxide, LLC. The purpose of the contract is to furnish and dispense chemicals to mitigate odor problems along the Potomac Interceptor until long term facilities are operational. The contract amount is \$350,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION :
Potomac Interceptor Interim Chemical Odor Control
(Joint Use)**

Approval to execute option year two (2) of the contract for the amount of \$350,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: U.S. Peroxide, LLC 900 Circle 75 Parkway, Suite 1330 Atlanta, GA 30339	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value: \$362,240.00
 Original Contract Dates: 05-07-2012—05-06-2013
 No. of Option Years in Contract: 4
 Option Year (1) Value: \$381,560.00
 Option Year (1) Dates: 05-07-2013—05-06-2014
 Second Option Year Value: \$350,000.00
 Second Option Year Dates: 05-07-2014—05-06-2015

Purpose of the Contract:
 The purpose of this contract is to furnish and dispense chemicals to mitigate odor problems along the Potomac Interceptor until long term facilities are operational.

Contract Scope:
 DC Water needs a contractor to supply and dispense chemicals to mitigate the odor problems along the Potomac Interceptor until the long term odor facilities are operational.

Spending Previous Year:
 Cumulative Contract Value: 05-07-2012 to 05-06-2014—\$743,800.00
 Cumulative Contract Spending: 05-07-2013 to 03-31-2014—\$610,439.65

Contractor’s Past Performance:
 The contractor’s past performance has been satisfactory.

PROCUREMENT INFORMATION

Contract Type:	Firm Fixed Price	Award Based On:	Lowest Price
Commodity:	Goods and Services	Contract Number:	WAS-12-020-AA-CE
Contractor Market:	Open Market with Preference for LBE and LSBE		


BUDGET INFORMATION

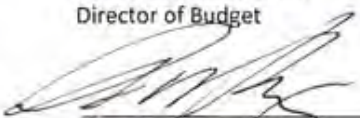
Funding:	Operating	Department:	Sewer Services
Service Area:	Potomac Interceptor	Department Head:	Cuthbert Braveboy

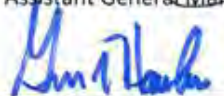
ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	0%	\$ 0.00
Washington Suburban Sanitary Commission	0%	\$ 0.00
Fairfax County	0%	\$ 0.00
Loudoun County	0%	\$ 0.00
Potomac Interceptor	100%	\$350,000.00
TOTAL ESTIMATED DOLLAR AMOUNT		\$ 350,000.00

 4.1.14
 Katy Chang Date
 Acting Director of Procurement

 4.1.14
 Gail Alexander-Reeves Date
 Director of Budget

 4/1/14
 Charles Kieley Date
 Assistant General Manager, Consumer Services

 4/24/2014
 George Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

**SUBJECT: Approval of Contract No. 14-PR-CFO-01,
McGladrey LLP**

**#14-30
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 14-PR-CFO-01, McGladrey, LLP.

The Board of Directors hereby authorizes the General Manager to execute Contract No. 14-PR-CFO-01, McGladrey LLP for a base period of two years with up to three one-year options. The purpose of the contract is to provide internal audit functions for DC Water. The contract will provide services that include but are not limited to operational, financial and internal control reviews of systems, functions and programs as directed by the DC Water's Audit Committee. The contract amount is \$4,290,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

Internal Audit Outsourcing

(Joint Use - Indirect Cost)

Approval to execute a contract for a base period of two (2) years with up to three (3) one-year options in the amount of \$4,290,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: McGladrey LLP 1501 M Street Washington, DC 20005	SUBS: HGM Management and Technologies, Inc. (Local Small Business Enterprise)	PARTICIPATION: 10%
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DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$1,656,000.00
Contract Base Period:	730 days (2 years)
Number of Option Years:	3
Anticipated Contract Start Date:	10-01-2014
Anticipated Contract Completion Date:	09-30-2019
Proposal Closing Date:	02-28-2014
Proposals Received:	6
Proposal Range:	\$4,230,000.00 – \$4,458,000.00
Preference Points Received:	1.9

Purpose of the Contract:

The purpose of the contract is to provide internal audit functions for the District of Columbia Water and Sewer Authority (DC Water). The contract will provide services that include but are not limited to operational, financial and internal control reviews of systems, functions and programs as directed by the DC Water's Audit Committee.

Note: The cost for the two year base period is \$1,656,000.00. The cumulative cost for option years one (1) through three (3) is \$2,634,000.00.

The procurement method utilized was a Request for Proposal (RFP). Award will be made to one firm. McGladrey LLP is the highest rated offeror of all competitive range firms. The names of all responsive firms who submitted proposals are listed below.

Proposals were received from:

- Baker Tilley Virchow Krause, LLP
- Brooks and Associates CPAs, LLC
- Cotton & Company LLP
- McGladrey LLP
- Protiviti
- SC & H Group LLC

PROCUREMENT INFORMATION

Contract Type:	Fixed Price Blended Hourly Rates	Award Based On:	Highest Rating
Commodity:	Goods & Services	Contract Number:	14-PR-CFO-01
Contractor Market:	Open Market with preference points for LBE/LSBE participation		

BUDGET INFORMATION

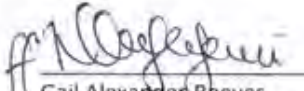
Funding:	Operating	Department:	Office of the General Manager
Service Area:	DC Water Wide	Department Head:	George S. Hawkins

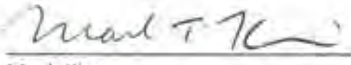
ESTIMATED USER SHARE INFORMATION

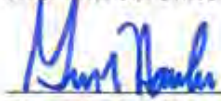
User - Operating	Share % *	Dollar Amount
District of Columbia	83.78%	\$3,594,162.00
Washington Suburban Sanitary Commission	11.84%	\$507,936.00
Fairfax County	3.03%	\$129,987.00
Loudoun County	1.17%	\$50,193.00
Potomac Interceptor	0.18%	\$7,722.00
Total Estimated Dollar Amount	100.00%	\$4,290,000.00

*Actual amounts will be reconciled and billed to customers accordingly.

 4.16 '14
 Katy Chang Date
 Acting Procurement Director

 04/17/14
 Gail Alexander Beeves Date
 Director, Budget

 4/17/14
 Mark Kim Date
 Chief Financial Officer

 4/29/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014

**SUBJECT: Approval to Execute Contract No. 14-PR-CFO-02,
TD Bank, N.A.**

**#14-31
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 May 1, 2014, upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Contract No. 14-PR-CFO-02, TD Bank, N.A.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 14-PR-CFO-02, TD Bank, N.A., for a base period of one year with up to four one-year options. The purpose of the contract is to provide banking services for DC Water. The contract will provide services that include but are not limited to general services, lockbox processing, deposit remittances, reporting requirements, worksite supervision, communications and controls, collateral requirements and account maintenance services. The contract amount is \$1,159,995.30.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

Banking Services

(Joint Use - Indirect Cost)

Approval to execute a contract for a base period of one (1) year with up to four (4) one-year options in the amount of \$1,159,995.30.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: TD Bank, N.A. 2070 Chain Bridge Road Vienna, VA 22182	SUBS: Industrial Bank 4821 Georgia Avenue, NW Washington, DC 20011 (Local Small Business Enterprise)	PARTICIPATION: 15%
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DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$229,765.74
Contract Base Period:	365 (1 year)
Number of Option Years:	4
Anticipated Contract Start Date:	09-01-2014
Anticipated Contract Completion Date:	08-31-2019
Proposal Closing Date:	03-03-2014
Proposals Received:	3
Proposal Range:	\$835,860.96 - \$1,159,995.30
Preference Points Received:	1.5

Purpose of the Contract:

The purpose of the contract is to provide banking services for the District of Columbia Water and Sewer Authority (DC Water). The contract will provide services that include but are not limited to general services, lockbox processing, deposit remittances, reporting requirements, worksite supervision, communications and controls, collateral requirements and account maintenance services

Note: The cost for the one (1) year base period is \$229,765.74. The cumulative cost for option years one (1) through four (4) is \$1,159,995.30.

The procurement method utilized was a Request for Proposal (RFP). Award will be made to one firm. TD Bank, N.A. is the highest rated offeror of all firms. The names of all responsive firms who submitted proposals are listed below.

Proposals were received from:

Bank of America Merrill Lynch
 TD Bank, N.A.
 Wells Fargo

PROCUREMENT INFORMATION

Contract Type:	Requirements Contract	Award Based On:	Highest Rating RFP
Commodity:	Goods & Services	Contract Number:	14-PR-CFO-02
Contractor Market:	Open Market with preference points for LBE/LSBE participation		

BUDGET INFORMATION

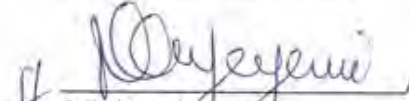
Funding:	Operating	Department:	Office of the Chief Financial Officer
Service Area:	DC Water Wide	Department Head:	Mark Kim

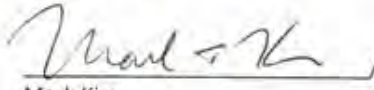
ESTIMATED USER SHARE INFORMATION

User - Operating	Share % *	Dollar Amount
District of Columbia	83.78%	\$971,844.06
Washington Suburban Sanitary Commission	11.84%	\$137,343.44
Fairfax County	3.03%	\$ 35,147.86
Loudoun County	1.17%	\$ 13,571.95
Potomac Interceptor	0.18%	\$ 2,087.99
Total Estimated Dollar Amount	100.00%	\$1,159,995.30

*Actual amounts will be reconciled and billed to customers accordingly.

 4.17.14
 Katy Chang Date
 Acting Procurement Director

 4/17/14
 Gail Alexander-Reeves Date
 Director of Budget

 4/17/14
 Mark Kim Date
 Chief Financial Officer

 4/24/2014
 George S. Hawkins Date
 General Manager

Presented and Adopted: May 1, 2014
SUBJECT: Approval of 2014 Amended Revised "Statement of Investment Policy"

#14-32
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 May 1, 2014, decided by a vote of __() in favor and __() opposed to take the following action with respect to amending the "Statement of Investment Policy".

WHEREAS, on October 4, 2007 the Board of Directors, in Resolution, 07-73, approved the revised "Statement of Investment Policy" (the "Policy") for the District of Columbia Water and Sewer Authority that established investment objectives and parameters to ensure sound management of the Authority's cash and investments; and

WHEREAS, Resolution 07-73, changed and superseded previous Investment policy resolutions 97-122, 01-17 and 02-66;

WHEREAS, Resolution 11-103, changed and superseded previous Investment Policy resolutions 97-122, 01-17, 02-66 and 07-73;

WHEREAS, on May 1, 2014 the Board of Directors approved amendments to resolution 11-103 (Policy) to improve the Authority's investment portfolio; and

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves amendments to the below listed sections of the Policy as shown in the attached "Statement of Investment Policy" as amended May 1, 2014, and authorizes the General Manager to implement the policy.

1. Investment Objectives
2. Authorized Investments
3. Portfolio Diversification
4. Core Portfolio
5. Selection, Approval of Brokers, Qualified Financial Institutions
6. Engagement of Investment Managers

This resolution is effective immediately.

Secretary to the Board of Directors

District of Columbia Water and Sewer Authority

Statement of Investment Policy

Amended _____, 2014

District of Columbia Water and Sewer Authority

Statement of Investment Policy

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District of Columbia Water and Sewer Authority

Statement of Investment Policy

Purpose

The purpose of this document is to set forth the investment and operational policies for the management of public funds of the District of Columbia Water and Sewer Authority ("DC Water").

These policies are designed to ensure the prudent management of Authority funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

It shall be the policy of DC Water that all investments and investment practices meet or exceed all statutes governing the investment of public monies in the District of Columbia and any investment restrictions imposed by bond covenants. Further, accounting for DC Water Portfolio shall be consistent with guidelines of the Governmental Accounting Standards Board (GASB).

Scope of the Investment Policy

This investment policy is a comprehensive one that governs the overall administration and investment management of those monies held in DC Water's investment portfolio. This policy shall apply to such monies from the time of receipt until the time the monies ultimately leave DC Water's accounts. These monies include, but are not limited to, all operating funds, debt service funds, capital project funds, and grant money.

The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the management or administration of these monies.

Investment Objectives

DC Water's Portfolio shall be managed to accomplish the following hierarchy of objectives:

- i) **Safety** – The safeguarding of principal shall be the foremost objective of the investment program, and other objectives shall be subordinated to the attainment of this objective.
- ii) **Liquidity** – The investment portfolio shall be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as special projects and other operational requirements either known or which might reasonably be anticipated.
- iii) **Return on Investment** – The investment portfolio shall be managed with the objective of obtaining no worse than a market rate of return over the course of budgetary and economic cycles, taking into account the constraints contained herein and the cash flow patterns of DC Water.
- iv) ~~**Diversity** – The investment portfolio shall be managed to avoid undue concentration of ownership in a single issue by a single issuer or type of securities or maturities.~~

Delegation of Authority

DC Water Board of Directors grants authority for the management of the investment program and for the investment of funds (within the constraints set by this policy) to the General Manager. By letter of delegation, the General Manager may delegate responsibility for managing the investment program to a designee. The GM or designee shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts.

Standard of Prudence

The standard of prudence to be applied to the investment of DC Water's Portfolio shall be the "Prudent Person" rule that states:

"Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Ethics and Conflict of Interest

Consistent with any DC Water policies on ethics, employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial positions that could be related to the performance of the investment portfolio. Employees shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of DC Water.

Authorized Investments

DC Water shall be permitted to invest in any of the following securities.

- A) **U.S. Treasury Obligations.** United States Treasury bills, notes, or any other obligation or security issued by or backed by the full faith and credit of the United States Treasury. These securities shall be limited to a maximum maturity of five (5) years at the time of purchase.
- B) **Registered Investment Companies (Mutual Funds.)** Shares in open-end, no-load investment funds provided such funds are registered under the Federal Investment Company Act of 1940, and invest exclusively in the securities permitted under this investment policy provided that the fund is rated "AAAm" or "AAAm-G" or the equivalent by a NRSRO. The mutual fund must comply with the diversification, quality and maturity requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission.

Before investing in any mutual fund, the GM or designee will obtain a copy of the fund's prospectus and review permitted investments, fees, and management.

- C) **Repurchase Agreements.** Contracts for the present purchase and subsequent resale at a specified time in the future of specific securities at specified prices at a price differential

representing the interest income to be earned by DC Water. Such contracts shall be invested in only if the following conditions are met:

- 1) the Repurchase Agreement has a term to maturity of no greater than ninety (90) days;
- 2) the contract is fully secured by deliverable U.S. Treasury and Federal Agency obligations as described in (A) and (B) above (without limit to maturity), having a market value at all times of at least one hundred two percent (102%) of the amount of the contract;
- 3) a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction;
- 4) the securities are held free and clear of any lien by an independent third party custodian acting solely as agent for DC Water, provided such third party is not the seller under the repurchase agreement;
- 5) a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of DC Water;
- 6) for repurchase agreements with terms to maturity of greater than one (1) day, DC Water will value the collateral securities daily and require that if additional collateral is required then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);
- 7) the counterparty is a:
 - a) primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
 - b) a bank, savings and loan association, or diversified securities broker-dealer having \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
- 8) the counterparty meets the following criteria:
 - a) has long-term credit rating of at least 'AA' or the equivalent from a Nationally Recognized Statistical Rating Organization ("NRSRO"),
 - b) has been in operation for at least 5 years, and
 - c) is reputable among market participants.

D) **Federal Agency Obligations.** Bonds, notes, debentures, or other obligations or securities issued by a federal government agency or instrumentality, except Collateralized Mortgage Obligations, with a rating of at least "AA" or equivalent from ~~two~~ (2) major rating agencies. These obligations shall be limited to a maximum maturity of five (5) years at the time of purchase.

~~no more than thirty percent (30%) of the total monies available for investment (based on book value on the date of acquisition) may be invested in negotiable Certificates of Deposit and Bank Deposit Notes.~~

E) **Bankers' Acceptances** issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System may be purchased if the following conditions are met:

- 1) the maturity is no greater than ~~one hundred-eighty days (180) two hundred-seventy days (270) days; and~~
- 2) the short-term paper of which is rated not lower than 'A-1' or the equivalent by a NRSRO;

~~no more than forty percent (40%) of the total monies available for investment (based on book value on the date of acquisition) may be invested in Bankers' Acceptances; and the amount invested in any single bank will not exceed five percent (5%) of the total monies available for investment (based on book value on the date of acquisition).~~

- F) **Commercial Paper.** Unsecured short-term debt of U.S. corporations may be purchased if the following conditions are met:
- 1) the maturity is no greater than two hundred-seventy days (270) one hundred-eighty days (180) days;
 - 2) ~~no more than thirty-five percent (35%) of the total monies available for investment (based on book value on the date of acquisition) may be invested in commercial paper;~~
 - 3) ~~the amount invested in any single issuing corporation will not exceed five percent (5%) of the total monies available for investment (based on book value on the date of acquisition);~~
 - 4)2) _____ the issuing corporation, or its guarantor, has a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the NRSROs; and
 - 5)3) _____ the total holdings of an issuer's paper do not represent more than ten percent (10%) of the issuing corporation's total outstanding commercial paper.
- G) **Collateralized Certificates of Deposit** in state chartered banks or federally chartered banks. Deposits with savings and loans associations or District and Federal Credit Unions shall not exceed the greater of the total net worth or \$500,000. Collateralized Certificates of Deposit shall be collateralized at 102%. Please refer to the Authority's DC Water's collateralization policies under Collateralization of Bank Deposits.
- H) **Corporate Notes: High quality corporate notes that meet the following criteria:**
- 1) a rating of at least 'AA' (or its equivalent) from at least one NRSRO and a rating of at least 'A' (or its equivalent) from a second NRSRO; and
 - 2) the final maturity shall not exceed a period of five (5) years from the time of purchase.
- H)I) **FDIC insured Certificates of Deposit** obtained thru Certificate of Deposit placement services including the Certificate of Deposit Account Registry Service (CDARS).
- J) **Federal Agency Mortgage-Backed Securities** issued by Fannie Mae, Freddie Mac, or the Government National Mortgage Association (GNMA) that meet the following criteria:
- 1) a rating of at least "AA" (or its equivalent) by two NRSROs.
 - 2) the weighted average life (WAL) shall not exceed a period of five (5) years from the time of purchase.
- I)K) **Negotiable Certificates of Deposit and Bank Deposit Notes** of domestic banks and domestic offices of foreign banks with:
- 1) ratings of at least 'A-1' (or ~~the its~~ equivalent) by two NRSROs for maturities of one (1) year or less; and
 - 2) ~~a ratings -of at least 'AAA' (or its the equivalent) from at least by one two NRSROs; without regard to gradation and a rating of at least 'A' (or its equivalent); from a second NRSRO for maturities over one (1) year; and and not exceeding five years.; and~~
 - 2)3) _____ the final maturity shall not exceed a period of five (5) years from the time of purchase.
- L) **Supranational Bonds: Obligations, participations or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise, including those issued or fully guaranteed as to the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises, provided that:**
- 1) at time of purchase the maturity does not to exceed five (5) years; and;
 - 1)2) _____ have a rating of at least 'A' (or its equivalent) from at least two NRSROs.

~~4)M)~~ **Municipal Obligations.** Bonds, notes and other evidences of indebtedness of the District of Columbia, or of any state or local government upon which there is no default that meet the following criteria:

- 1) have a final maturity on the date of investment not to exceed five (5) years.
- 2) rated in either of the two highest rating categories by a NRSRO; and
- ~~3) no more than twenty percent (20%) of the total monies available for investment (based on book value on the date of acquisition) may be invested in Municipal Obligations.~~
- 4)3) the total holdings of any single issue do not represent more than 25% of the total issue.

The monies of individual funds may be commingled for investment purposes. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Prohibited Investments and Investment Practices

DC Water is prohibited from:

- 1) Investment in reverse repurchase agreements;
- 2) Short sales (selling a specific security before it has been legally purchased);
- 3) Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing;
- 4) Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and leveraged notes, or notes linked to lagging indices or to long-term indices.
- 5) Investing in any security not specifically permitted by this Policy.

Collateralization of Bank Deposits

DC Water requires that all cash and other deposits maintained in any financial institution be collateralized, including bank deposits and collateralized certificates of deposit. Collateral will be secured in accordance with the following policy:

- 1) collateralization on all deposits of DC Water monies in excess of the amount protected by federal deposit insurance,
- 2) collateralization with any of the following (i) U.S. Treasury obligations, (ii) Federal Agency obligations, or (iii) a Letter of Credit issued by a Federal Home Loan Bank the amount of which shall be 102% of the deposits held.

In order to anticipate market changes and provide a level of security for all monies, the collateralization level shall be 102% of the market value of principal, plus accrued interest or as required by the terms of outstanding DC Water bond issues, municipal bond insurance policies and/or other financing agreements, which may pertain to DC Water's monies. Collateral shall always be held by an independent third-party custodian. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to DC Water and retained by the GM or designee. The right of collateral substitution is allowed.

Portfolio Diversification

DC Water's Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each eligible security is as follows:

U.S. Treasury Obligations	100% maximum
Federal Agency Obligations	80% maximum

Repurchase Agreements	100% maximum
Commercial Paper	35% maximum
Bankers' Acceptances	40% maximum
Municipal Obligations	20% maximum
Negotiable Certificates of Deposit	30% maximum
Collateralized Certificates of Deposit	30% maximum
Registered Mutual Funds	100% maximum
Bank Deposits	100% maximum
FDIC-insured Certificates of Deposit	30% maximum

<u>Permitted Investment</u>	<u>Sector Limit</u>	<u>Issuer Limit</u>
Collateralized Bank Deposits	100%	100%
A. U.S. Treasury Obligations	100%	100%
B. Registered Money Market Mutual Funds	100%	50%
C. Repurchase Agreements	100%	50%
D. Federal Agency Obligations	80%	40%
E. Bankers' Acceptances	40%	5%
F. Commercial Paper	35%	5%
G. Collateralized Certificates of Deposit	30%	5%
H. Corporate Notes	30%	5%
I. FDIC-Insured Certificates of Deposit	30%	5%
J. Mortgage Backed Securities	30%	5%
K. Negotiable Certificates of Deposit	30%	5%
L. Supranational Bonds	30%	5%
M. Municipal Obligations	20%	5%

The DCWASA's Portfolio will be further diversified to limit the exposure to any one issuer. No more than five percent (5%) of the DCWASA's Portfolio will be invested in the securities of any single issuer with following exceptions:

U.S. Treasury	100% maximum
Each Federal Agency	40% maximum
Each Repurchase Agreement Counterparty	50% maximum
Each Mutual Fund	50% maximum

Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of DC Water is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with the cash requirements of DC Water in order to avoid the forced sale of securities prior to maturity.

For purposes of this Investment Policy, assets of DC Water shall be segregated into three categories based on expected liquidity needs and purposes — short-term operating monies, the core portfolio and bond proceeds.

Short-Term Operating Monies. Assets categorized as short-term monies will be invested in permitted investments maturing in twelve (12) months or less. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds such as money market mutual funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Core Portfolio. The operating fund core portfolio will be invested in permitted investments with a stated maturity of no more than five (5) years from the date of purchase *(with the exception of Federal Agency Mortgage-Backed Securities which must have a weighted average life (WAL) of no more than five (5) years)*. To control the volatility of the core portfolio, the GM or designee will determine a duration target, not to exceed three (3) years.

Bond Proceeds. Proceeds from the sale of bonds will be invested in compliance with the specific requirements of the bond covenants without further restriction as to the maximum term to maturity of securities purchased. However, in no case will bond proceeds be invested in securities with a term to maturity that exceeds the expected disbursement date of those monies. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investment is made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Budget and Finance Committee.

Selection, Approval of Brokers, Qualified Financial Institutions

The GM or designee shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes (“Qualified Institutions”). All Qualified Institutions who desire to provide investment services to DC Water will be provided with current copies of DC Water’s Investment Policy. Receipt of this policy, including confirmation that it has been reviewed by persons dealing directly with DC Water, will be received prior to any organization providing investment services to the DC Water.

Qualified Institutions should supply the GM or designee with information sufficient to adequately evaluate the financial capacity and creditworthiness of the firm. The following information should be provided: (i) audited financial statements, (ii) regulatory reports on financial condition, (iii) proof of National Association of Security Dealers certification and proof of state registration, and (iv) any additional information to allow the GM or his designee to evaluate the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for DC Water:

- 1) “primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) capital of no less than \$10,000,000;
- 3) registered as a dealer under the Securities Exchange Act of 1934;
- 4) member of the National Association of Dealers Financial Industry Regulatory Authority (NASD/FINRA);
- 5) registered to sell securities in the District of Columbia; and

- 6) the firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

The GM or designee shall conduct an annual review of the financial condition and registrations of Qualified Institutions.

Engagement of Investment Managers

The GM may engage one of more qualified firms to provide investment management services for DC Water. All investment management firms who desire to provide investment services will be provided with current copies of DC Water's Investment Policy. Before an organization can provide investment services to DC Water, it must confirm in writing that it has received and reviewed this Policy. The GM or his designee will conduct appropriate due diligence in the selection of qualified investment management firms and will periodically confirm a manager's qualifications by periodically visiting that manager's operational facilities that provide services to DC Water.

Only firms meeting the following requirements will be eligible to serve as an investment manager:

- 1) Registered with the SEC under the Investment Advisers Act of 1940;
- 2) Registered to conduct business in the District of Columbia;
- 3) Have proven experience in providing investment management services to entities with similar investment objectives as DC Water.

Any firm engaged by DC Water to provide investment services will:

- 1) Provide to DC Water an annual updated copy of Form ADV, Part II;
- 2) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the District of Columbia;
- 3) Provide monthly reports of transactions and holdings to the GM or his designee;
- 4) Provide quarterly performance reports that display investment performance in comparison to DC Water's investment benchmarks;
- 5) Periodically show that the manager has solicited at least three bids for any security purchased or sold on behalf of DC Water; and
- 6) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to DC Water.

Competitive Selection of Investment Instruments

It will be the policy of DC Water to transact all securities purchases and sales only with Qualified Institutions through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. Electronic bids will be accepted. DC Water may also purchase or sell securities using electronic trading systems. The DC Water will accept the bid which (a) offers the highest rate of return within the maturity required; and (b) optimizes the investment objective of the overall portfolio. When selling a security, DC Water will select the bid that generates the highest sale price.

Primary fixed price Federal Agency offerings may be purchased from the list of Qualified Institutions without competitive solicitation if it is determined that no Agency obligations meeting DC Water's requirements are available in the secondary market at a higher yield.

Investment of Bond Proceeds

DC Water will comply with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations and bond covenants with regard to the investment of bond proceeds. Accounting records will be maintained in a form and for a period of time sufficient to document compliance with these regulations.

Safekeeping and Custody

All investment securities purchased by DC Water or held as collateral on deposits or investments shall be held by DC Water or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction.

All securities in DC Water's Portfolio shall be held in the name of DC Water and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. The custodial agent shall issue a safekeeping receipt to DC Water listing the specific instrument, rate, maturity and other pertinent information. On a monthly basis, the custodial agent will also provide reports that list all securities held for DC Water, the book value of holdings and the market value as of month-end.

Appropriate DC Water officials and representatives of the custodial agent responsible for, or in any manner involved with, the safekeeping and custody process of DC Water shall be bonded in such a fashion as to protect DC Water from losses from malfeasance and misfeasance.

Internal Controls

The GM or designee shall establish a system of internal controls governing the administration and management of DC Water's Portfolio, and these controls shall be documented in writing. Such controls shall be designed to prevent and control losses of DC Water monies arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel. DC Water shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Performance Standards

The investment portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs of DC Water. The return on DC Water investments will be compared to an index of U.S. Treasury securities having a similar duration or other appropriate benchmark on a quarterly basis. For funds having a duration or weighted average maturity of greater than 90 days, performance will be computed on a total return basis.

Reporting

On a monthly basis, the GM or designee will submit an investment report to the Finance & Budget Committee. This investment report shall include: (i) a listing of the existing portfolio in terms of investment securities, maturity date, yield, market value and other features deemed relevant, (ii) the total investment earnings for the reporting period, (iii) a listing of all transactions executed during the quarter, and (iv) a statement on compliance with this Policy and any applicable bond resolutions.

Investment Policy Adoption

This policy is adopted by the Board of Directors of the District of Columbia Water and Sewer Authority this ___ day of _____ 2014.

Glossary

Agencies: Federal agency securities and/or government-sponsored enterprises.

Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker: A broker brings buyers and sellers together for a commission.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions.

Securities and Exchange Commission (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage. Income/current yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

District of Columbia Water and Sewer Authority

Statement of Investment Policy

Amended _____, 2014

District of Columbia Water and Sewer Authority

Statement of Investment Policy

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District of Columbia Water and Sewer Authority

Statement of Investment Policy

Purpose

The purpose of this document is to set forth the investment and operational policies for the management of public funds of the District of Columbia Water and Sewer Authority ("DC Water").

These policies are designed to ensure the prudent management of Authority funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

It shall be the policy of DC Water that all investments and investment practices meet or exceed all statutes governing the investment of public monies in the District of Columbia and any investment restrictions imposed by bond covenants. Further, accounting for DC Water Portfolio shall be consistent with guidelines of the Governmental Accounting Standards Board (GASB).

Scope of the Investment Policy

This investment policy is a comprehensive one that governs the overall administration and investment management of those monies held in DC Water's investment portfolio. This policy shall apply to such monies from the time of receipt until the time the monies ultimately leave DC Water's accounts. These monies include, but are not limited to, all operating funds, debt service funds, capital project funds, and grant money.

The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the management or administration of these monies.

Investment Objectives

DC Water's Portfolio shall be managed to accomplish the following hierarchy of objectives:

- i) **Safety** – The safeguarding of principal shall be the foremost objective of the investment program, and other objectives shall be subordinated to the attainment of this objective.
- ii) **Liquidity** – The investment portfolio shall be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as special projects and other operational requirements either known or which might reasonably be anticipated.
- iii) **Return on Investment** – The investment portfolio shall be managed with the objective of obtaining no worse than a market rate of return over the course of budgetary and economic cycles, taking into account the constraints contained herein and the cash flow patterns of DC Water.

Delegation of Authority

DC Water Board of Directors grants authority for the management of the investment program and for the investment of funds (within the constraints set by this policy) to the General Manager. By

letter of delegation, the General Manager may delegate responsibility for managing the investment program to a designee. The GM or designee shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts.

Standard of Prudence

The standard of prudence to be applied to the investment of DC Water's Portfolio shall be the "Prudent Person" rule that states:

"Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Ethics and Conflict of Interest

Consistent with any DC Water policies on ethics, employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial positions that could be related to the performance of the investment portfolio. Employees shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of DC Water.

Authorized Investments

DC Water shall be permitted to invest in any of the following securities.

- A) **U.S. Treasury Obligations.** United States Treasury bills, notes, or any other obligation or security issued by or backed by the full faith and credit of the United States Treasury. These securities shall be limited to a maximum maturity of five (5) years at the time of purchase.
- B) **Registered Investment Companies (Mutual Funds.)** Shares in open-end, no-load investment funds provided such funds are registered under the Federal Investment Company Act of 1940 and invest exclusively in the securities permitted under this investment policy provided that the fund is rated "AAAm" or "AAAm-G" or the equivalent by a NRSRO. The mutual fund must comply with the diversification, quality and maturity requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission.

Before investing in any mutual fund, the GM or designee will obtain a copy of the fund's prospectus and review permitted investments, fees, and management.

- C) **Repurchase Agreements.** Contracts for the present purchase and subsequent resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by DC Water. Such contracts shall be invested in only if the following conditions are met:
 - 1) the Repurchase Agreement has a term to maturity of no greater than ninety (90) days;

- 2) the contract is fully secured by deliverable U.S. Treasury and Federal Agency obligations as described in (A) and (B) above (without limit to maturity), having a market value at all times of at least one hundred two percent (102%) of the amount of the contract;
 - 3) a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction;
 - 4) the securities are held free and clear of any lien by an independent third party custodian acting solely as agent for DC Water, provided such third party is not the seller under the repurchase agreement;
 - 5) a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of DC Water;
 - 6) for repurchase agreements with terms to maturity of greater than one (1) day, DC Water will value the collateral securities daily and require that if additional collateral is required then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);
 - 7) the counterparty is a:
 - a) primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
 - b) a bank, savings and loan association, or diversified securities broker-dealer having \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
 - 8) the counterparty meets the following criteria:
 - a) has long-term credit rating of at least 'AA' or the equivalent from a Nationally Recognized Statistical Rating Organization ("NRSRO"),
 - b) has been in operation for at least 5 years, and
 - c) is reputable among market participants.
- D) **Federal Agency Obligations.** Bonds, notes, debentures, or other obligations or securities issued by a federal government agency or instrumentality, except Collateralized Mortgage Obligations, with a rating of at least "AA" or equivalent from two (2) major rating agencies. These obligations shall be limited to a maximum maturity of five (5) years at the time of purchase.
- E) **Bankers' Acceptances** issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System may be purchased if the following conditions are met:
 - 1) the maturity is no greater than one hundred-eighty days (180); and
 - 2) the short-term paper of which is rated not lower than 'A-1' or the equivalent by a NRSRO.
- F) **Commercial Paper.** Unsecured short-term debt of U.S. corporations may be purchased if the following conditions are met:
 - 1) the maturity is no greater than two hundred-seventy days (270)
 - 2) the issuing corporation, or its guarantor, has a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the NRSROs; and
 - 3) the total holdings of an issuer's paper do not represent more than ten percent (10%) of the issuing corporation's total outstanding commercial paper.
- G) **Collateralized Certificates of Deposit** in state chartered banks or federally chartered banks. Deposits with savings and loans associations or District and Federal Credit Unions shall not exceed the greater of the total net worth or \$500,000. Collateralized Certificates of Deposit

shall be collateralized at 102%. Please refer to the DC Water's collateralization policies under Collateralization of Bank Deposits.

- H) **Corporate Notes:** High quality corporate notes that meet the following criteria:
 - 1) a rating of at least 'AA' (or its equivalent) from at least one NRSRO and a rating of at least 'A' (or its equivalent) from a second NRSRO; and
 - 2) the final maturity shall not exceed a period of five (5) years from the time of purchase.
- I) **FDIC insured Certificates of Deposit** obtained thru Certificate of Deposit placement services including the Certificate of Deposit Account Registry Service (CDARS).
- J) **Federal Agency Mortgage-Backed Securities** issued by Fannie Mae, Freddie Mac, or the Government National Mortgage Association (GNMA) that meet the following criteria:
 - 1) a rating of at least "AA" (or its equivalent) by two NRSROs.
 - 2) the weighted average life (WAL) shall not exceed a period of five (5) years from the time of purchase.
- K) **Negotiable Certificates of Deposit and Bank Deposit Notes** of domestic banks and domestic offices of foreign banks with:
 - 1) ratings of at least 'A-1' (or its equivalent) by two NRSROs for maturities of one (1) year or less; and
 - 2) a rating of at least 'AA' (or its equivalent) from at least one NRSRO and a rating of at least 'A' (or its equivalent) from a second NRSRO for maturities over one (1) year; and
 - 3) the final maturity shall not exceed a period of five (5) years from the time of purchase.
- L) **Supranational Bonds:** Obligations, participations or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise, including those issued or fully guaranteed as to the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises, provided that:
 - 1) at time of purchase the maturity does not to exceed five (5) years; and
 - 2) have a rating of at least 'A' (or its equivalent) from at least two NRSROs.
- M) **Municipal Obligations.** Bonds, notes and other evidences of indebtedness of the District of Columbia, or of any state or local government upon which there is no default that meet the following criteria:
 - 1) have a final maturity on the date of investment not to exceed five (5) years.
 - 2) rated in either of the two highest rating categories by a NRSRO; and
 - 3) the total holdings of any single issue do not represent more than 25% of the total issue.

The monies of individual funds may be commingled for investment purposes. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Prohibited Investments and Investment Practices

DC Water is prohibited from:

- 1) Investment in reverse repurchase agreements;
- 2) Short sales (selling a specific security before it has been legally purchased);
- 3) Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing;

- 4) Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and deleveraged notes, or notes linked to lagging indices or to long-term indices.
- 5) Investing in any security not specifically permitted by this Policy.

Collateralization of Bank Deposits

DC Water requires that all cash and other deposits maintained in any financial institution be collateralized, including bank deposits and collateralized certificates of deposit. Collateral will be secured in accordance with the following policy:

- 1) collateralization on all deposits of DC Water monies in excess of the amount protected by federal deposit insurance,
- 2) collateralization with any of the following (i) U.S. Treasury obligations, (ii) Federal Agency obligations, or (iii) a Letter of Credit issued by a Federal Home Loan Bank the amount of which shall be 102% of the deposits held.

In order to anticipate market changes and provide a level of security for all monies, the collateralization level shall be 102% of the market value of principal, plus accrued interest or as required by the terms of outstanding DC Water bond issues, municipal bond insurance policies and/or other financing agreements, which may pertain to DC Water's monies. Collateral shall always be held by an independent third-party custodian. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to DC Water and retained by the GM or designee. The right of collateral substitution is allowed.

Portfolio Diversification

DC Water's Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each eligible security is as follows:

Permitted Investment	Sector Limit	Issuer Limit
Collateralized Bank Deposits	100%	100%
A. U.S. Treasury Obligations	100%	100%
B. Registered Money Market Mutual Funds	100%	50%
C. Repurchase Agreements	100%	50%
D. Federal Agency Obligations	80%	40%
E. Bankers' Acceptances	40%	5%
F. Commercial Paper	35%	5%
G. Collateralized Certificates of Deposit	30%	5%
H. Corporate Notes	30%	5%
I. FDIC-Insured Certificates of Deposit	30%	5%
J. Mortgage Backed Securities	30%	5%
K. Negotiable Certificates of Deposit	30%	5%
L. Supranational Bonds	30%	5%

M. Municipal Obligations	20%	5%
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Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of DC Water is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with the cash requirements of DC Water in order to avoid the forced sale of securities prior to maturity.

For purposes of this Investment Policy, assets of DC Water shall be segregated into three categories based on expected liquidity needs and purposes — short-term operating monies, the core portfolio and bond proceeds.

Short-Term Operating Monies. Assets categorized as short-term monies will be invested in permitted investments maturing in twelve (12) months or less. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds such as money market mutual funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Core Portfolio. The operating fund core portfolio will be invested in permitted investments with a stated maturity of no more than five (5) years from the date of purchase (with the exception of Federal Agency Mortgage-Backed Securities which must have a weighted average life (WAL) of no more than five (5) years). To control the volatility of the core portfolio, the GM or designee will determine a duration target, not to exceed three (3) years.

Bond Proceeds. Proceeds from the sale of bonds will be invested in compliance with the specific requirements of the bond covenants without further restriction as to the maximum term to maturity of securities purchased. However, in no case will bond proceeds be invested in securities with a term to maturity that exceeds the expected disbursement date of those monies. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investment is made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Budget and Finance Committee.

Selection, Approval of Brokers, Qualified Financial Institutions

The GM or designee shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes (“Qualified Institutions”). All Qualified Institutions who desire to provide investment services to DC Water will be provided with current copies of DC Water’s Investment Policy. Receipt of this policy, including confirmation that it has been reviewed by persons dealing directly with DC Water, will be received prior to any organization providing investment services to the DC Water.

Qualified Institutions should supply the GM or designee with information sufficient to adequately evaluate the financial capacity and creditworthiness of the firm. The following information should be provided: (i) audited financial statements, (ii) regulatory reports on financial condition, (iii) proof of National Association of Security Dealers certification and proof of state registration, and (iv) any additional information to allow the GM or his designee to evaluate the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for DC Water:

- 1) "primary" dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) capital of no less than \$10,000,000;
- 3) registered as a dealer under the Securities Exchange Act of 1934;
- 4) member of the Financial Industry Regulatory Authority (FINRA);
- 5) registered to sell securities in the District of Columbia; and
- 6) the firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

The GM or designee shall conduct an annual review of the financial condition and registrations of Qualified Institutions.

Engagement of Investment Managers

The GM may engage one or more qualified firms to provide investment management services for DC Water. All investment management firms who desire to provide investment services will be provided with current copies of DC Water's Investment Policy. Before an organization can provide investment services to DC Water, it must confirm in writing that it has received and reviewed this Policy. The GM or his designee will conduct appropriate due diligence in the selection of qualified investment management firms and will periodically confirm a manager's qualifications by periodically visiting that manager's operational facilities that provide services to DC Water.

Only firms meeting the following requirements will be eligible to serve as an investment manager:

- 1) Registered with the SEC under the Investment Advisers Act of 1940;
- 2) Registered to conduct business in the District of Columbia;
- 3) Have proven experience in providing investment management services to entities with similar investment objectives as DC Water.

Any firm engaged by DC Water to provide investment services will:

- 1) Provide to DC Water an annual updated copy of Form ADV, Part II;
- 2) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the District of Columbia;
- 3) Provide monthly reports of transactions and holdings to the GM or his designee;
- 4) Provide quarterly performance reports that display investment performance in comparison to DC Water's investment benchmarks;
- 5) Periodically show that the manager has solicited at least three bids for any security purchased or sold on behalf of DC Water; and
- 6) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to DC Water.

Competitive Selection of Investment Instruments

It will be the policy of DC Water to transact all securities purchases and sales only with Qualified Institutions through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. Electronic bids will be accepted. DC Water may also purchase or sell securities using electronic trading systems. The DC Water will accept the bid which (a) offers the highest rate of return within the maturity required; and (b) optimizes the investment objective of

the overall portfolio. When selling a security, DC Water will select the bid that generates the highest sale price.

Primary fixed price Federal Agency offerings may be purchased from the list of Qualified Institutions without competitive solicitation if it is determined that no Agency obligations meeting DC Water's requirements are available in the secondary market at a higher yield.

Investment of Bond Proceeds

DC Water will comply with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations and bond covenants with regard to the investment of bond proceeds. Accounting records will be maintained in a form and for a period of time sufficient to document compliance with these regulations.

Safekeeping and Custody

All investment securities purchased by DC Water or held as collateral on deposits or investments shall be held by DC Water or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction.

All securities in DC Water's Portfolio shall be held in the name of DC Water and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. The custodial agent shall issue a safekeeping receipt to DC Water listing the specific instrument, rate, maturity and other pertinent information. On a monthly basis, the custodial agent will also provide reports that list all securities held for DC Water, the book value of holdings and the market value as of month-end.

Appropriate DC Water officials and representatives of the custodial agent responsible for, or in any manner involved with, the safekeeping and custody process of DC Water shall be bonded in such a fashion as to protect DC Water from losses from malfeasance and misfeasance.

Internal Controls

The GM or designee shall establish a system of internal controls governing the administration and management of DC Water's Portfolio, and these controls shall be documented in writing. Such controls shall be designed to prevent and control losses of DC Water monies arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel. DC Water shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Performance Standards

The investment portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs of DC Water. The return on DC Water investments will be compared to an index of U.S. Treasury securities having a similar duration or other appropriate benchmark on a quarterly basis. For funds having a duration or weighted average maturity of greater than 90 days, performance will be computed on a total return basis.

Reporting

On a monthly basis, the GM or designee will submit an investment report to the Finance & Budget Committee. This investment report shall include: (i) a listing of the existing portfolio in

terms of investment securities, maturity date, yield, market value and other features deemed relevant, (ii) the total investment earnings for the reporting period, (iii) a listing of all transactions executed during the quarter, and (iv) a statement on compliance with this Policy and any applicable bond resolutions.

Investment Policy Adoption

This policy is adopted by the Board of Directors of the District of Columbia Water and Sewer Authority this ___ day of _____ 2014.

Glossary

Agencies: Federal agency securities and/or government-sponsored enterprises.

Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker: A broker brings buyers and sellers together for a commission.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions.

Securities and Exchange Commission (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage. Income/current yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Presented and Adopted: May 1, 2014
SUBJECT: Approval to Execute Contract No. 130130,
Environmental Design and Construction

#14-33
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 May 1, 2014, upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 130130, Environmental Design and Construction.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130130, Environmental Design and Construction. The purpose of the contract is to implement recommendations made in the individual storage facilities inspection reports and correct items noted in the EPA Sanitary Survey, including the installation of components designed to keep pace with evolving best practices for water storage facilities. The contract amount is \$1,594,189.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**Storage Facility Upgrades for Fort Reno Reservoir No. 1
(Non-Joint Use)**

Approval to execute a construction contract for \$1,594,189.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Environmental Design and Construction 1108 Good Hope Road, SE Washington DC 20020	TriJay Systems. Line Lexington, PA MBE	12.00%
	Celsue Construction Services, Inc. Laurel, MD WBE	9.3%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 1,594,189
Contract Time:	365 Days (1 Year)
Anticipated Contract Start Date:	06-27-2014
Anticipated Contract Completion Date:	06-26-2015
Bid Opening Date:	02-26-2014
Bids Received:	4
Other Bids Received	
CPP Construction Company, Inc	\$ 1,845,000
Norair Engineering Corp.	\$ 2,000,500
Alpha Construction Co., Inc.	\$ 2,064,500

Purpose of the Contract:

Implement recommendations made in the individual storage facilities inspection report and correct items noted in the EPA Sanitary Survey, including the installation of components designed to keep pace with evolving best practices for water storage facilities.

Contract Scope:

- Internal reservoir concrete repairs
- Elimination of cross connection which requires: new concrete chamber, including piping, valves, gates, pumps, ladders and access hatches
- Installation of: (1) manual sampling stations; (2) automated sampling system with water quality analyzers, (3) mechanical mixers and panel controls, (4) reservoir ventilation system, (5) overflow sensor and level transmitter; and (6) new communication equipment
- Improvements to the security system

Federal Grant Status:

- Construction contract is funded in part by Federal grant.

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130130
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water	Department Head:	David McLaughlin
Project:	FA		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	45.66%	\$ 727,910.00
Federal Funds	54.34%	\$ 866,279.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun County & Potomac Interceptor	0.00%	\$0.00
Total Estimated Dollar Amount	100.00%	\$1,594,189.00


 Gail Alexander-Reeves
 Director of Budget
 Date 4/14/14


 Katy Chang
 Acting Director of Procurement
 Date 4-7-14


 Leonard R. Benson
 Chief Engineer
 Date 4-4-14


 George S. Hawkins
 General Manager
 Date 4-24-2014