

Presented and Approved: March 1, 2018

SUBJECT: Approval to Execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC

**#18-17
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 March 1, 2018 upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed to execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC. The purpose of the contract is to scan, digitize, attribute, inventory, and upload 8 million records into modern document management systems and optimize the existing physical content in TIC. The contract amount is \$1,189,011.38.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: March 1, 2018
SUBJECT: Approval to Execute Option Year Two (2) of Contract No.
15-PR-WWT-52, W.K. Merriman, Inc.

#18-18
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 March 1, 2018 upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed to execute Option Year Two (2) of Contract No. 15-PR-WWT-52, W.K. Merriman, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Option Year Two (2) of Contract No. 15-PR-WWT-52, Merriman, Inc. The purpose of the contract is to supply and deliver calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$350,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: March 1, 2018

SUBJECT: Approval to Execute Contract No. 160190, IPR Northeast LLC

**#18-19
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 March 1, 2018 upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed to execute Contract No. 160190, IPR Northeast LLC.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 160190, IPR Northeast LLC. The purpose of the contract is to rehabilitate (using structural geopolymer) approximately 4,350 linear feet of 10-foot span through 18-foot span arch sewer tunnel. The contract amount is \$6,065, 069.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: March 1, 2018

**SUBJECT: Approval to Execute Contract No. 170170, Capitol Paving
of DC Inc.**

**#18-20
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 March 1, 2018 upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed to execute Contract No. 170170, Capitol Paving of DC Inc.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 170170, Capitol Paving of DC Inc. The purpose of the contract is to provide permanent restoration of paved and non-paved surfaces in public space after the completion of repair and replacement activities by the Department of Water Services and the Department of Sewer Services. The contract amount is \$21,584,324.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: March 1, 2018

Subject: Approval of Proposed Fiscal Year 2018 - 2027 Capital Improvement Program

**#18-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on March 1, 2018, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2018 - 2027 Capital Improvement Program (10-Year Disbursement Plan and Lifetime Budget).

WHEREAS, the Board's financial policies require an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, on January 4, 2018, the Interim Chief Executive Officer and General Manager, Chief Engineer, Chief Operating Officer, and Chief Financial Officer, at the budget workshop briefed Board members on the Proposed 10-Year Disbursement Plan totaling \$4,002,125,000; and

WHEREAS, on January 18, 2018, the Environmental Quality and Operations Committee, reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on January 23, 2018, the Finance & Budget and DC Retail Water & Sewer Rates Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on February 15, 2018, the Environmental Quality and Operations Committee, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts and recommended that the Board adopt the Proposed 10-Year Disbursement Plan totaling \$4,002,125,000, related Lifetime Budget, which totals \$11,131,895,000; and

WHEREAS, on February 22, 2018, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts. The Finance & Budget Committee recommended that the Board adopt the Proposed 10-Year Disbursement Plan totaling \$4,002,125,000, and related Lifetime Budget, which totals \$11,131,895,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Fiscal Year 2018 – 2027 Capital Improvement Program with the 10-Year Disbursement Plan totaling \$4,002,125,000, related Lifetime Budget which totals \$11,131,895,000 (Attachment A-1), and as further detailed in the Interim Chief Executive Officer and General Manager's Proposed Fiscal Year 2019 Budget, presented on January 4, 2018 and accompanying materials.

This resolution is effective immediately.


Secretary to the Board of Directors

Capital Improvement Program

10-Year Disbursement Plan - projected annual cash disbursements, \$ in thousands

Attachment A-1

	FY 2018 - FY 2027 Proposed Disbursement Plan											Lifetime Budget
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	10-Yr Total	
NON PROCESS FACILITIES												
Facility Land Use	\$32,194	\$33,107	\$18,907	\$7,860	\$1,551	\$25	\$6,615	\$7,773	\$0	\$0	\$108,032	\$169,147
Subtotal	32,194	33,107	18,907	7,860	1,551	25	6,615	7,773	0	0	108,032	169,147
WASTEWATER TREATMENT												
Liquid Processing	18,554	30,869	37,604	38,228	44,507	35,458	29,607	31,846	74,033	109,131	449,838	1,224,582
Plantwide	12,099	15,060	19,331	32,895	35,204	30,100	18,795	17,671	20,384	10,534	212,072	488,216
Solids Processing	11,229	13,942	18,154	15,302	8,770	1,953	1,288	723	533	555	72,448	802,911
Enhanced Nitrogen Removal Facilities	53,603	14,746	2,763	1,535	1,339	2,049	1,918	11,932	22,673	9,032	121,590	1,036,089
Subtotal	95,485	74,617	77,853	87,960	89,820	69,560	51,607	62,172	117,623	129,252	855,948	3,551,799
COMBINED SEWER OVERFLOW												
DC Clean Rivers	168,314	189,392	148,042	138,289	192,859	151,111	59,569	50,018	128,404	87,197	1,313,196	2,764,255
Program Management	1,934	1,969	2,518	3,495	4,373	4,339	3,012	1,821	0	0	23,460	64,663
Combined Sewer	11,568	8,982	9,993	6,337	5,853	9,058	17,112	13,772	7,393	5,622	95,691	323,002
Subtotal	181,816	200,343	160,554	148,121	203,086	164,508	79,692	65,611	135,797	92,819	1,432,348	3,151,920
STORMWATER												
Local Drainage	92	75	354	69	629	267	861	1,050	219	0	3,617	14,230
On-Going	375	1,074	668	617	744	722	760	464	752	736	6,912	11,315
Pumping Facilities	69	3,410	375	1,134	4,065	19	0	0	305	1,397	10,774	25,232
DDOT	0	0	0	0	0	0	0	0	0	0	0	3,237
Research and Program Management	314	156	36	115	402	204	163	128	0	0	1,517	12,013
Trunk/Force Sewers	95	194	966	377	0	0	0	0	0	0	1,632	15,365
Subtotal	945	4,909	2,400	2,312	5,839	1,212	1,784	1,642	1,276	2,133	24,452	81,392
SANITARY SEWER												
Collection Sewers	4,488	1,244	1,088	7,929	19,594	9,139	11,139	25,253	31,888	18,343	130,105	407,999
On-Going	10,001	9,618	9,475	10,399	9,982	10,535	11,079	11,402	11,589	12,023	106,103	206,045
Pumping Facilities	1,294	428	842	2,332	1,005	1,559	214	0	0	0	7,674	36,151
Program Management	2,999	3,075	7,205	5,032	6,410	6,977	6,128	5,151	1,624	115	44,716	124,972
Interceptor/Trunk Force Sewers	11,019	18,583	15,436	27,358	37,501	45,706	47,353	17,076	15,667	8,191	243,890	754,870
Subtotal	29,802	32,947	34,046	53,050	74,492	73,917	75,912	58,882	60,769	38,672	532,490	1,530,036
WATER												
Distribution Systems	28,353	22,924	56,015	35,946	23,051	29,648	52,339	79,039	81,503	69,487	478,306	1,235,949
Lead Program	3,422	1,487	1,252	1,422	1,528	1,658	1,718	903	235	75	13,700	209,245
On-Going	11,079	11,044	7,569	9,982	9,930	10,183	10,793	11,157	12,429	12,636	106,802	143,288
Pumping Facilities	3,286	1,857	4,561	4,248	4,193	1,840	8,023	1,668	211	0	29,887	118,394
DDOT	904	486	208	2	2	0	0	0	0	0	1,604	33,933
Storage Facilities	7,560	4,967	8,088	3,488	2,099	5,106	9,371	2,343	0	0	43,021	107,520
Program Management	3,441	2,982	6,563	7,252	7,438	5,035	5,812	4,551	6,966	7,312	57,352	90,944
Subtotal	58,044	45,747	84,256	62,341	48,241	53,471	88,055	99,661	101,344	89,510	730,672	1,939,272
CAPITAL PROJECTS	398,285	391,670	378,015	361,644	423,029	362,694	303,666	295,742	416,809	352,386	3,683,941	10,423,566
CAPITAL EQUIPMENT	39,898	34,518	29,383	27,998	9,579	10,306	10,850	11,177	12,122	12,303	198,133	198,133
WASHINGTON AQUEDUCT	11,768	12,930	12,944	13,039	13,039	12,312	11,768	11,441	10,496	10,315	120,052	120,052
ADDITIONAL CAPITAL PROGRAMS	51,665	47,448	42,327	41,037	22,618	22,618	22,618	22,618	22,618	22,618	318,185	318,185
LABOR												390,145
TOTAL CAPITAL BUDGETS	\$449,950	\$439,118	\$420,342	\$402,681	\$445,647	\$385,312	\$326,284	\$318,360	\$439,427	\$375,004	\$4,002,125	11,131,895

Presented and Adopted: March 1, 2018

SUBJECT: Approval of Fiscal Year 2018 - 2027 Ten-Year Financial Plan

**#18-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at its meeting held on March 1, 2018 upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2018 - 2027 Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board, in Resolutions 11-10 and 13-57, adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, consistent with the Board policies, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2019 operating and capital budgets; and

WHEREAS, the ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2019 Operating and Capital Budgets; and

WHEREAS, the ten-year financial plan is consistent with projections appearing in the attached Schedules A, B and C of this resolution; and

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met and reviewed the proposed ten-year financial plan, but did not recommend the plan to the Board and asked staff to review the proposed \$4.0 billion Capital Investment Plan (CIP) baseline and alternative CIP scenarios; and

WHEREAS, on February 20, 2018, and February 22, 2018, the DC Retail Water and Sewer Rates Committee and Finance and Budget Committee, respectively, met and reviewed the proposed ten-year financial plan, and recommended that the Board adopt the plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby accepts and approves the proposed Fiscal Year 2018 - 2027 Financial Plan that is supported by the attached Schedule A, B and C and the proposed Fiscal Year 2019 Operating and Capital Budgets.

This resolution is effective immediately.


Secretary to the Board of Directors

District of Columbia Water & Sewer Authority

FY 2018 - FY 2027 Financial Plan

(In 000's)

OPERATING	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Retail*	\$ 515,466	\$ 539,982	\$ 571,113	\$ 602,587	\$ 629,109	\$ 656,446	\$ 678,437	\$ 696,598	\$ 718,313	\$ 742,257
Wholesale*	76,028	79,237	81,614	84,062	86,584	89,182	91,857	94,613	97,451	100,375
Other	28,978	30,249	33,041	39,588	42,764	43,199	42,708	42,789	44,418	44,803
RSF										
Operating Receipts (1)	\$ 620,472	\$ 649,467	\$ 685,768	\$ 726,237	\$ 758,456	\$ 788,827	\$ 813,002	\$ 834,000	\$ 860,182	\$ 887,436
Operating Expenses	(320,146)	(338,499)	(348,335)	(358,462)	(368,891)	(379,628)	(390,684)	(402,068)	(413,790)	(427,381)
Debt Service	(184,278)	(199,025)	(214,119)	(232,128)	(245,477)	(258,537)	(267,811)	(275,215)	(283,955)	(292,699)
Cash Financed Capital Improvement	\$ (35,260)	\$ (26,999)	\$ (28,556)	\$ (30,129)	\$ (37,747)	\$ (45,951)	\$ (47,491)	\$ (55,728)	\$ (64,648)	\$ (66,803)
Net Revenues After Debt Service	\$ 80,789	\$ 84,944	\$ 94,758	\$ 105,518	\$ 106,342	\$ 104,711	\$ 107,017	\$ 100,989	\$ 97,788	\$ 100,553
Operating Reserve-Beg Balance	147,212	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(16,019)	(7,321)	(1,500)	-	-	-	-	-	-	-
Project Billing Refunds	(4,000)	(4,000)	(4,000)	-	-	-	-	-	-	-
Transfers To RSF										
Pay-Go Financing	(67,982)	(73,624)	(89,258)	(105,518)	(106,342)	(104,711)	(107,017)	(100,989)	(97,788)	(100,553)
Operating Reserve - Ending Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Rate Stabilization Fund Balance RSF (2)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)
Senior Debt Service Coverage	489%	561%	545%	544%	575%	559%	659%	674%	648%	624%
Combined Debt Service Coverage	164%	161%	165%	168%	168%	167%	166%	166%	166%	166%
Actual/Projected Water/Sewer Rate Increases	5.0%	13.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
*Operating Receipts \$ Increase/Decrease										
Retail	20,228	24,515	31,131	31,474	26,522	27,338	21,991	18,161	21,715	23,945
Wholesale	(5,108)	3,209	2,377	2,448	2,522	2,598	2,675	2,756	2,838	2,924
*Operating Receipts % Increase/Decrease										
Retail	4.1%	4.8%	5.8%	5.5%	4.4%	4.3%	3.3%	2.7%	3.1%	3.3%
Wholesale	-6.3%	4.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund
(2) FY 2018 planned transfers of \$0.0 million to Rate Stabilization Fund will maintain the total fund balance at \$61.45 million

Schedule B

District of Columbia Water & Sewer Authority
FY 2018 - FY 2027 Average Residential Customer Monthly Bill

	Units	Current		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed	
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 60.13	\$ 68.27	\$ 71.73	\$ 75.33	\$ 79.12	\$ 83.10	\$ 87.26	\$ 91.67	\$ 96.27	\$ 101.13										
DC Water Clean Rivers IAC	ERU	25.18	23.00	25.58	29.07	31.33	33.62	34.66	34.75	35.45	36.46										
DC Water Customer Metering Fee	5/8"	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86										
DC Water Water System Replacement Fee ⁽²⁾	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30										
Subtotal DC Water Rates & Charges		\$ 95.47	\$ 101.43	\$ 107.47	\$ 114.56	\$ 120.61	\$ 126.88	\$ 132.08	\$ 136.58	\$ 141.88	\$ 147.75										
Increase / Decrease		\$ 5.82	\$ 5.96	\$ 6.04	\$ 7.09	\$ 6.05	\$ 6.27	\$ 5.20	\$ 4.50	\$ 5.30	\$ 5.87										
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.04	\$ 3.10	\$ 3.16	\$ 3.22	\$ 3.29	\$ 3.35	\$ 3.41	\$ 3.47	\$ 3.53	\$ 3.60										
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.12	1.12	1.18	1.18	1.18	1.18	1.24	1.24	1.24	1.24										
District of Columbia Stormwater Fee ⁽²⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67										
Subtotal District of Columbia Charges		\$ 6.83	\$ 6.89	\$ 7.01	\$ 7.07	\$ 7.14	\$ 7.20	\$ 7.32	\$ 7.38	\$ 7.44	\$ 7.51										
Total Amount Appearing on DC Water Bill		\$ 102.30	\$ 108.32	\$ 114.48	\$ 121.63	\$ 127.75	\$ 134.08	\$ 139.40	\$ 143.96	\$ 149.32	\$ 155.26										
Increase / Decrease Over Prior Year		\$ 5.95	\$ 6.02	\$ 6.16	\$ 7.15	\$ 6.12	\$ 6.33	\$ 5.32	\$ 4.56	\$ 5.36	\$ 5.94										
Percent Increase in Total Bill		6.2%	5.9%	5.7%	6.2%	5.0%	5.0%	4.0%	3.3%	3.7%	4.0%										

(1) Assumes average monthly consumption of 6.2 Ccf, or (4,638 gallons)

(2) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(3) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

Schedule C

District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees

	Units	Current FY 2018	Proposed FY 2019	Proposed FY 2020
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$ 3.39	\$ 2.91	\$ 3.06
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$ 4.26	\$ 3.90	\$ 4.10
DC Water Retail Rates Water (Multi-Family)	Ccf	\$ 3.80	\$ 3.37	\$ 3.54
DC Water Retail Rates Water (Non-Residential)	Ccf	\$ 4.40	\$ 4.05	\$ 4.25
DC Water Retail Rates Sewer	Ccf	\$ 6.00	\$ 7.75	\$ 8.14
DC Water Clean Rivers IAC	ERU	\$ 25.18	\$ 23.00	\$ 25.58
DC Water Customer Metering Fee	5/8"	\$ 3.86	\$ 3.86	\$ 3.86
DC Water Water System Replacement Fee	5/8"	\$ 6.30	\$ 6.30	\$ 6.30
District of Columbia PILOT Fee	Ccf	\$ 0.49	\$ 0.50	\$ 0.51
District of Columbia Right-of-Way Fee	Ccf	\$ 0.18	\$ 0.18	\$ 0.19
District of Columbia Stormwater Fee	ERU	\$ 2.67	\$ 2.67	\$ 2.67

Presented and Adopted: March 1, 2018

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

**#18-23
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on December 1, 2016, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action.

WHEREAS, DC Water intends to acquire, construct and equip the items and projects set forth in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, plans for the Projects have advanced and DC Water expects to advance its own funds to pay expenditures related to the Projects ("Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both.

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$410,000,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 16-95 of the Board adopted on December 1, 2016, plus amounts projected to be reimbursed during Fiscal Year 2018 – 2019.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such

grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.

4. DC Water makes a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

This resolution is effective immediately.


Secretary to the Board of Directors

EXHIBIT A — LIST OF PROJECTS

Blue Plains Plantwide Projects
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains Liquid and Solids Processing Projects
Sanitary Sewer System Projects
Combined Sewer System Projects
DC Clean Rivers Project
Stormwater Sewer System Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects

Presented and Adopted: March 1, 2018
Subject: Approval of Proposed Fiscal Year 2019 Operating Budget

#18-24
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on March 1, 2018, upon consideration of a joint-use matter, decided by a vote of eleven (10) in favor and one (1) opposed, to take the following action with respect to the Fiscal Year 2019 Proposed Operating Budget.

WHEREAS, on January 4, 2018, the Interim Chief Executive Officer and General Manager, Chief Engineer, Chief Operating Officer, and Chief Financial Officer, at the budget workshop briefed Board members on the Proposed FY 2019 Operating Budget that totaled \$582,781,000; and

WHEREAS, on January 18, 2018, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on January 23, 2018, the Finance and Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on February 22, 2018, the Finance and Budget Committee further reviewed the budget proposals, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2019 Operating Budget that totals \$582,781,000.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Proposed Fiscal Year 2019 Operating Budget totaling \$582,781,000 and as further detailed in the Interim Chief Executive Officer and General Manager's Proposed Fiscal Year 2019 Budget presented on January 4, 2018 and accompanying materials.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: March 1, 2018

SUBJECT: Approval to Execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc.

**#18-25
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 March 1, 2018 upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed to execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc. The purpose of the contract is to fulfill the on-going need for staff augmentation services for special projects and staff vacancies within the Office of the Chief Financial Officer and the Department of Customer Service. The contract amount is \$1,600,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: March 1, 2018

**SUBJECT: Approval to Execute Additional Funding for Contract No.
WAS-12-002-AA-SH-1, Aclara Technologies**

**#18-26
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 March 1, 2018 upon consideration of a joint use matter, decided by a vote of six (6) in favor and none (0) opposed to execute additional funding for Contract No. WAS-12-002-Aa-SH-1, Aclara Technologies.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute additional funding for Contract No. WAS-12-002-AA-SH-1, Aclara Technologies. The purpose of the additional funding is to continue the purchase and disposal of Meter Transmitter Units. The additional funding amount is \$1,037,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: March 1, 2018

SUBJECT: Proposed Fiscal Year 2019 and Fiscal Year 2020 Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, and Clean Rivers Impervious Area Charge (CRIAC)

**#18-27
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on March 1, 2018 upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed, to approve the following action with respect to the proposed Fiscal Year 2019 and Fiscal Year 2020 Metered Retail Rates for Water and Sewer Service, Clean Rivers Impervious Area Charge (IAC), the Right-of- Way Occupancy Fee Pass Through Charge (ROW), and Payment In Lieu of Taxes Fee (PILOT).

WHEREAS, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues that will generate sufficient revenues to pay for DC Water's projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, DC Water has three classes of customers: Residential, Multi-family and Non-Residential, in accordance with Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met and reviewed proposed metered water and sewer service rates, ROW, PILOT and CRIAC and the proposed \$4.0 billion Capital Improvement Plan (CIP) baseline, but did not recommend the proposed rates fees and charges to the Board and asked staff to review the proposed \$4.0 billion CIP baseline and alternative CIP scenarios; and

WHEREAS, On February 20, 2018, the DC Retail Water and Sewer Rates Committee met, reviewed the proposed metered water and sewer service rates, ROW, PILOT and CRIAC and the proposed CIP Plan baseline as recommended by the General Manager; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.27 per one hundred cubic feet ("Ccf") (\$1.70 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline) for FY 2019 and \$0.54 per one hundred cubic feet ("Ccf") (\$0.72 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline) for FY 2020; and

WHEREAS, the increase in Lifeline water (Residential customer's first 4 Ccf) and sewer rates will result in a combined water and sewer rate of \$10.66 per Ccf (\$14.25 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of \$11.20 per Ccf (\$14.97 per 1,000 gallons) for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.39 per Ccf (\$1.85 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2019 and a combined retail water and sewer rate increase of \$0.59 per Ccf (\$0.79 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2020; and

WHEREAS, the increase in water (Residential customers for water usage greater than 4 Ccf) and sewer rates will result in a combined water and sewer rate of \$11.65 per Ccf (\$15.57 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of \$12.24 per Ccf (\$16.36 per 1,000 gallons) of metered water and sewer use for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.32 per Ccf (\$1.77 per 1,000 gallons) for Multi-family customers for FY 2019 and a combined retail water and sewer rate increase of \$0.56 per Ccf (\$0.74 per 1,000 gallons) for Multi-family customers for FY 2020; and

WHEREAS, the increase in Multi-family customer water and sewer rates will result in a combined water and sewer rate of \$11.12 per Ccf (\$14.87 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of \$11.68 per Ccf (\$15.61 per 1,000 gallons) of metered water and sewer use for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.40 per Ccf (\$1.88 per 1,000 gallons) for Non-Residential customers for FY 2019 and a combined retail rate increase of \$0.59 per Ccf (\$0.78 per 1,000 gallons) for Non-Residential customers for FY 2020; and

WHEREAS, the increase in Non-Residential customer water and sewer rates will result in a combined water and sewer rate of \$11.80 per Ccf (\$15.78 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of

\$12.39 per Ccf (\$16.56 per 1,000 gallons) of metered water and sewer use for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a monthly decrease in the Clean Rivers Impervious Area Charge of (\$2.18) per Equivalent Residential Unit (ERU) for FY 2019 and a monthly increase in the Clean Rivers Impervious Area Charge of \$2.58 per Equivalent Residential Unit (ERU) for FY 2020 to recover the \$2.6 billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.18 per Ccf (\$0.24 per 1,000 gallons) of water used for FY 2019 and that the Board consider for public comment, an increase in the ROW fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2020 to recover the full cost of the District of Columbia government; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2019 and an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2020 to recover the full cost of the District of Columbia government fees; and

WHEREAS, adoption of these rates and fee changes would increase the monthly bill of the average Residential customer using 6.20 Ccf (or 4,638 gallons) by approximately \$6.02 per month or \$72.24 per year for FY 2019 and by approximately \$6.16 per month or \$73.92 per year for FY 2020; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2019 reflect an approximate \$27.2 million increase due to the proposed \$37.9 million increase in retail water and sewer rates, an approximate \$0.1 million increase due to the proposed PILOT fee increase, and an approximate \$10.8 million decrease due to the proposed Clean Rivers IAC decrease; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2020 reflect an approximate \$26.8 million increase due to the proposed \$14.2 million increase in retail water and sewer rates, an approximate \$0.4 million increase due to the proposed PILOT fee increase, and an approximate \$12.2 million increase due to the proposed Clean Rivers IAC increase; and

WHEREAS, DC Retail Water and Sewer Rates Committee recommended that the Board take final action on the proposed rate and fee increases at the conclusion of the public notification and comment period, which will occur over the next several months.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water's projected expenditures require that it propose, for public comment, the rate and fee increases described below:

Retail Metered Water Service Rates

- a. An increase in the rate for metered water services:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018		FY 2020 vs. FY 2019	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers - (0 - 4)	\$3.39	\$4.53	\$2.91	\$3.89	\$3.06	\$4.09	(\$0.48)	(\$0.64)	\$0.15	\$0.20
Residential customers - (> 4)	\$4.26	\$5.70	\$3.90	\$5.21	\$4.10	\$5.48	(\$0.36)	(\$0.49)	\$0.20	\$0.27
Multi-Family customers	\$3.80	\$5.08	\$3.37	\$4.51	\$3.54	\$4.73	(\$0.43)	(\$0.57)	\$0.17	\$0.22
Non-Residential customers	\$4.40	\$5.88	\$4.05	\$5.42	\$4.25	\$5.68	(\$0.35)	(\$0.46)	\$0.20	\$0.26

Retail Sewer Service Rates (Metered and Unmetered)

- b. An increase in the rate for metered sewer services:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018		FY 2020 vs. FY 2019	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$6.00	\$8.02	\$7.75	\$10.36	\$8.14	\$10.88	\$1.75	\$2.34	\$0.39	\$0.52
Multi-Family customers	\$6.00	\$8.02	\$7.75	\$10.36	\$8.14	\$10.88	\$1.75	\$2.34	\$0.39	\$0.52
Non-Residential customers	\$6.00	\$8.02	\$7.75	\$10.36	\$8.14	\$10.88	\$1.75	\$2.34	\$0.39	\$0.52

- c. A decrease in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$302.16 to \$276.00 per Equivalent Residential Unit (ERU) in FY 2019 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$276.00 to \$306.96 per Equivalent Residential Unit (ERU) in FY 2020.

The charge per ERU will be billed monthly at:

	FY 2018	FY 2019	FY 2020	FY 2019 vs. FY 2018	FY 2020 vs. FY 2019
	ERU	ERU	ERU	ERU	ERU
Residential customers	\$25.18	\$23.00	\$25.58	(\$2.18)	\$2.58
Multi-Family customers	\$25.18	\$23.00	\$25.58	(\$2.18)	\$2.58
Non-Residential customers	\$25.18	\$23.00	\$25.58	(\$2.18)	\$2.58

**District of Columbia Pass Through Charge
Right-of-Way Occupancy / PILOT Fee**

d. There is no increase in the **Right-of-Way (ROW) Occupancy Fee** in FY 2019.

An increase in the **ROW Occupancy Fee** for FY 2020:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018 Incr. / (Decr.)		FY 2020 vs. FY 2019 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.18	\$0.24	\$0.18	\$0.24	\$0.19	\$0.25	\$0.00	\$0.00	\$0.01	\$0.01
Multi-Family customers	\$0.18	\$0.24	\$0.18	\$0.24	\$0.19	\$0.25	\$0.00	\$0.00	\$0.01	\$0.01
Non-Residential customers	\$0.18	\$0.24	\$0.18	\$0.24	\$0.19	\$0.25	\$0.00	\$0.00	\$0.01	\$0.01

e. An increase in the **Payment-in-Lieu of Taxes (PILOT) Fee** for FY 2019 and FY 2020:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018 Incr. / (Decr.)		FY 2020 vs. FY 2019 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.49	\$0.66	\$0.50	\$0.67	\$0.51	\$0.68	\$0.01	\$0.01	\$0.01	\$0.01
Multi-Family customers	\$0.49	\$0.66	\$0.50	\$0.67	\$0.51	\$0.68	\$0.01	\$0.01	\$0.01	\$0.01
Non-Residential customers	\$0.49	\$0.66	\$0.50	\$0.67	\$0.51	\$0.68	\$0.01	\$0.01	\$0.01	\$0.01

- The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and provide notice of the proposed rate adjustments and fees and public hearing in the manner provided by the District of Columbia's Administrative Procedure Act and 21 DCMR Chapter 40.

This resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: March 1, 2018

Subject: Approval for Notice of Proposed Rulemaking to Amend the District of Columbia Fire Protection Service Fee

**#18-28
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the DC Water") at the Board meeting held on March 1, 2018 decided, in a non-joint use matter, by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to the proposed Fire Protection Service Fee.

WHEREAS, DC Water establishes rates, fees and charges in accordance with its Rate Setting Policy (Board Resolution #11-10), including the recovery of current costs to provide service; and

WHEREAS, DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia pursuant to a Memorandum of Understanding (MOU) between the DC Water and District of Columbia Fire Emergency Medical Services (FEMS) Department, effective May 3, 2013; and

WHEREAS, pursuant to section 3.0 of the MOU, DC Water is required to establish the amount of the payments "through the DC Rate Making process that applies to all DC Water rates and fees and is outlined in the DC Municipal Regulations"; and

WHEREAS, the MOU also requires the rates to be "reviewed and revisions proposed every three years through an independent Cost of Services study"; and

WHEREAS, DC Water has prepared a Cost of Services Study entitled, "Report Regarding Fire Services Charges," dated February 13, 2018, which, based on the escalation of costs and past underpayments, recommends to maintain the Fire Protection Service Fee at Ten Million Seven Hundred Ninety Six Thousand Dollars (\$10,796,000) for fiscal year (FY) 2018, and increase the Fire Protection Service Fee to Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per fiscal year for FY 2019, FY 2020, and FY 2021; and

WHEREAS, the DC Retail Water and Sewer Rates Committee met on February 20, 2018 to consider the proposed Fire Protection Service Fee increase; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment an increase in the Fire Protection Service Fee as proposed by DC Water; and

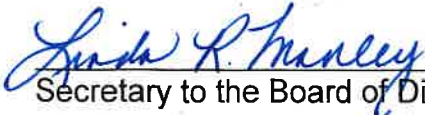
WHEREAS, the Board wishes to proceed with this amendment to 21 DCMR Section 4103 (Fire Protection Service Fee).

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water's cost of service study justifies the increase in the Fire Protection Service fee at 21 DCMR 4103 as provided below:

4103 FIRE PROTECTION SERVICE FEE

- 4103.1 The Charge to the District of Columbia for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as maintaining and upgrading public fire hydrants in the District of Columbia, (plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services) shall be Ten Million Seven Hundred Ninety Six Thousand Dollars (\$10,796,000) for fiscal year (FY) 2018 and Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per fiscal year for FY 2019, FY 2020, and FY 2021.
 - 4103.2 The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service.
 - 4103.3 In the event the actual costs are not being recouped, the District of Columbia shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.
 - 4103.4 In the event the costs paid by the District of Columbia exceed DC Water's actual costs, the fee shall be adjusted pursuant to the rulemaking process.
2. The General Manager is authorized to take all steps necessary in his judgement and as otherwise required, to publish the Notice of Proposed Rulemaking in the *D.C. Register* and receive comments in the manner provided by the District of Columbia Administrative Procedure Act.
 3. This resolution shall be effective immediately.


Secretary to the Board of Directors

Presented and Adopted: March 1, 2018

**SUBJECT: Approval for Publication of the Notice of Proposed
Rulemaking to Amend the System Availability Fee (SAF)**

**#18-29
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting held on March 1, 2018 upon consideration of a joint-use matter decided by a vote of six (6) in favor and none (0) opposed, to take the following action with respect to authorizing the publication of the Notice of Proposed Rulemaking to Amend the System Availability Fee (SAF).

WHEREAS, on June 17, 2016, DC Water published a Notice of Final Rulemaking for amendments to the System Availability Fee (SAF) and relevant definitions in the *D.C. Register* at 63 DCR 8505, effective January 1, 2018; and

WHEREAS, in November 2017, the Authority received reports from the Board Chair, the Mayor's Office and the development community that implementing the SAF regulations on the effective date of January 1, 2018 could present significant fiscal impacts to the District's New Communities Initiative, which includes development and redevelopment (one for one replacement and/or augmentation) of affordable housing units in the Barry Farm, Lincoln Heights/ Richardson Dwellings, NW1, and Park Morton communities; and

WHEREAS, each of the above redevelopment projects are projected to increase the availability of affordable housing units in the District and it is possible that negative fiscal impacts will impede these redevelopment these projects and may have an immediate impact on preservation of the public peace, health, safety, welfare, or morals; and

WHEREAS, on December 7, 2017, the DC Retail Water and Sewer Rates Committee recommended that the Board amend the SAF regulations through an Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in order to allow sufficient time for the Board to evaluate the potential for and likelihood of negative fiscal impacts to affordable housing, and consider options to lessen such impacts, yet still achieve the purposes of the SAF; and

WHEREAS, the Board, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, and upon further consideration and discussion, agreed to approve the amendment of the SAF regulations through an Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1,

2018 to June 1, 2018 for the immediate preservation of public peace, health, safety, welfare, or morals; and

WHEREAS, on December 22, 2017, DC Water published a Notice of Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in the *D.C. Register* at 64 DCR 013134, effective January 1, 2018.

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period, and recommended that the Board amend the SAF regulations through a Notice of Final Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in order to allow sufficient time for the Board to evaluate the potential for and likelihood of negative fiscal impacts to affordable housing, and consider options to lessen such impacts, yet still achieve the purposes of the SAF; and

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to take final action to amend the effective date for the SAF regulations from January 1, 2018 to June 1, 2018; and

WHEREAS, On February 9, 2018, DC Water conducted an open house to receive comments on the SAF regulations from the development community and specifically impacts of the SAF on affordable housing units; and

WHEREAS, on February 20, 2018, the DC Retail Water and Sewer Committee met to consider the comments received during the open house, and the General Managers proposed revisions to the SAF regulations, and recommended that the Board amend the SAF regulations through a Notice of Proposed Rulemaking to address impacts on projects with significant affordable housing components and other issues.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the proposed revisions to the SAF regulations.
2. The Board directs the General Manager to amend the Authority's Water Supply regulations at 21 DCMR § 112.11 as provided in Attachment A, and to take all steps necessary in his judgment and as otherwise required, to publish the Notice of Proposed Rulemaking for public comment in the manner provided by the District of Columbia's Administrative Procedure Act.

This resolution shall be effective immediately.


Secretary to the Board of Directors

Attachment A – SAF Notice of Proposed Rulemaking

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Section 112, FEES, is amended by revising the effective date of Subsection 112.11 to read as follows:

112.11 Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements:

- (a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$ 1,135	\$ 2,809	\$ 3,944
3/4"	\$ 1,135	\$ 2,809	\$ 3,944
1"	\$ 1,135	\$ 2,809	\$ 3,944
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942

- (b) Multi-Family and all Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
1" or smaller	\$ 1,282	\$ 3,173	\$ 4,455
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942
4"	\$ 83,388	\$ 206,394	\$ 289,782
6"	\$ 229,246	\$ 567,408	\$ 796,654
8"	\$ 229,246	\$ 567,408	\$ 796,654
8"x2"	\$ 229,246	\$ 567,408	\$ 796,654
8"x4"x1"	\$ 229,246	\$ 567,408	\$ 796,654
10"	\$ 229,246	\$ 567,408	\$ 796,654
12"	\$ 229,246	\$ 567,408	\$ 796,654
16"	\$ 229,246	\$ 567,408	\$ 796,654

- (c) The SAF meter size shall be computed for the peak water demand, excluding fire demand in accordance with D.C. Construction Codes Supplement, as amended, Chapter 3 (Water Meters) of this title, and DC Water's Meter Sizing Instructions and Worksheets.
- (d) The System Availability Fee shall be assessed for any premise, building or structure that requires a new metered water service connection to the District's potable water and/or sanitary sewer systems.
- (e) The System Availability Fee shall be assessed for renovation or redevelopment projects for any premise, building or structure that uses an existing metered water service connection to the District's potable water and/or sanitary sewer systems.
- (f) For a renovation or redevelopment project on a property that already had/has a DC Water meter(s) and account(s), DC Water shall determine the net System Availability Fee based on the difference between the property's new System Availability Fee determined by the SAF meter size(s) and the System Availability Fee determined by the old meter size(s) for the meters(s) being removed from the system.
- (g) Properties under renovation or redevelopment shall not receive a System Availability Fee credit for the DC Water account(s) that have been inactive for more than twenty-four (24) months prior to DC Water's issuance of the Certificate of Approval.
- (h) For any new premise, building or structure that includes one or more affordable housing unit (AHU), DC Water shall also provide a AHU Credit equal to:
 - (1) Three Thousand Nine Hundred Forty-Four dollars (\$3,944) for each individually metered affordable housing residential structure of three (3) or less units (e.g., single-family structure, townhouse, condominium, cooperative housing association unit, or apartment).
 - (2) The percentage of affordable housing units in a metered multi-family residential structure of four or more housing units (condominium, cooperative housing association, or apartment) determined as follows: % AHU (or % Net AHU) equals the number of AHUs (or Net AHU) divided by total number of residential units times one hundred (100).
- (i) For a renovation or redevelopment project that includes replacing existing affordable housing units and the construction of additional affordable housing units, DC Water shall provide a credit based on the Net AHU as provided in Section 112.11(g).

- (j) The Net AHU shall be determined based on the difference between the total number of affordable housing units existing prior to the renovation/redevelopment project and the total number of affordable housing units after constructed after completing the renovation/redevelopment project.
- (k) Projects that request AHU or Net AHU Credits shall submit one or more of the following documents:
 - (1) Land Disposition Development Agreement;
 - (2) Zoning Commission Order;
 - (3) Planned Unit Development Covenant;
 - (4) Certificate of Inclusionary Zoning; or
 - (5) Letter from the District financing agency that establishes the number of AHU in the property.
- (l) If the net System Availability Fee (less AHU or Net AHU Credits) is zero or less, no System Availability Fee shall be charged.
- (m) If the net System Availability Fee (less AHU or Net AHU Credits) is greater than zero, DC Water shall assess the System Availability Fee.
- (n) DC Water may request documentation to confirm the number of proposed affordable housing units that were actually constructed. If the number of constructed AHUs is less than the proposed AHUs, DC Water shall bill the property owner the amount of the AHU or Net AHU Credits for the unconstructed AHUs.
- (o) For DCRA Construction Permit applicants, payment of the System Availability Fee shall be a condition for DC Water's issuance of the Certificate of Approval.
- (p) DCRA Construction Permit applicants that submitted plans and specifications to DC Water prior to the effective date of these regulations, shall not be subject to the System Availability Fee provided:
 - (1) The DC Water Engineering Review fee(s) has been paid;
 - (2) The plans, specifications and other information necessary to meet the requirements listed in DC Water Project Submission Checklist has been accepted for review by DC Water in support of a DCRA Building Permit for the project, without substantial revisions that results in the change in the peak water demand for the project;

- (3) The DCRA Building Permit for the premise, building, or structure requiring water and sewer service is submitted to DCRA and accepted for review by DCRA within one calendar year after the effective date of these regulations; and
- (4) DC Water issues the Certificate of Approval within one calendar year after the effective date of these regulations, unless DC Water's review is delayed due to a force majeure event that closes DC Water's offices for one or more days one week before June 1, 2019.
- (q) For federal facilities, payment of the System Availability Fee shall be a condition of DC Water's issuance of the Certificate of Approval.
- (r) Before June 1, 2021, the property owner may request to pay the System Availability Fee in four equal installments, with the final payment due no later than one calendar year after the execution date of a Payment Plan Agreement. Execution of a Payment Plan Agreement and payment of the first installment payment, shall be a condition of DC Water's issuance of the Certificate of Approval. Any overdue payments under the Payment Plan Agreement shall be treated as overdue bill for water and sewer service charges as set forth in D.C. Official Code § 34-2407.02.
- (s) In the case that the DCRA Construction Permit is not issued or is revoked or the project is not constructed, upon written request from the property owner, DC Water shall issue the property owner a refund of the System Availability Fee.

Section 199, DEFINITIONS, is amended by adding the following terms and definitions to read as follows:

Affordable Housing Unit – a housing unit that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by a federal or District program or agency or the Council for the District of Columbia.

Force Majeure Event - an event arising from causes beyond the control of DC Water or the control of any entity controlled by DC Water, which results in the closure of DC Water facilities.