

Presented and Adopted: January 6, 2022

Subject: Approving the Final Form of Certain Documents,
Authorizing Exchange/Tender Offer and the Sale and Setting Terms and
Details of the Series 2022B, Series 2022C, and Series 2022D Bonds

#22-00
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 (“Authority”), at its meeting on January 6, 2022, by a vote of eleven (11) in favor and none (0) opposed, decided to approve the following:

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the “WASA Act”), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”) (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture” and, as supplemented and amended, the “Indenture”), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

WHEREAS, the Authority has heretofore entered into twenty-nine (29) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (both as defined in the Indenture) or to amend and clarify the Master Indenture; and

WHEREAS, the Authority now intends: (i) to issue Public Utility Subordinate Lien Revenue Bonds, Series 2022B (Green Bonds) (the “Series 2022B Bonds”) to: (a) finance a portion of the costs of the Authority’s DC Clean Rivers Project (as defined in the preliminary Official Statement for the Series 2022B/C/D Bonds (as defined below)); (b) fund a Series 2022B Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance; (ii) to issue Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022C (the “Series 2022C Bonds” and, collectively with the Series 2022B Bonds, the “Series 2022B/C Bonds”) to: (a) finance certain Costs of the

System; (b) refund a portion of the Authority's currently outstanding Commercial Paper Notes (the "CP Notes"); (c) finance the purchase or provide for the exchange pursuant to an offer to exchange or tender for purchase ("Exchange/Tender Offer") of all or a portion of the Authority's outstanding Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2014C (the "Series 2014C Bonds"), Public Utility Subordinate Lien Revenue Bonds, Series 2015A (Green Bonds) (the "Series 2015A Bonds") and Public Utility Subordinate Lien Revenue Bonds, Series 2015B (the "Series 2015B Bonds" and, collectively with the Series 2014C Bonds and the Series 2015A Bonds, the "Target Bonds") that are tendered for purchase (the "Tendered Bonds") or exchanged (the "Exchanged Bonds") by the holders thereof in response to the Authority's Exchange/Tender Offer; (d) fund a Series 2022C Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (e) pay certain costs of issuance; (iii) to issue Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable) (the "Series 2022D Bonds" and, collectively with the Series 2022B/C Bonds, the "Series 2022B/C/D Bonds") to: (a) finance a portion of the Authority's share of the Washington Aqueduct's capital improvements and certain Costs of the System, (b) refund some or all of the Authority's outstanding Series 2014C Bonds, Series 2015A Bonds and Series 2015B Bonds; (c) fund a Series 2022D Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (d) pay certain costs of issuance; (iv) to designate the Series 2022B/C/D Bonds as Subordinate Debt for purposes of the Indenture; and (iv) to secure the Series 2022B/C/D Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance and Procurement, the Chief Engineer and the Chief Legal Officer and Executive Vice President, Legal Affairs and General Counsel of the Authority have informed the Board that their offices have established "due diligence" procedures for reviewing the documents authorized by this Resolution with the Authority's bond counsel, disclosure counsel, financial advisors, underwriters, underwriters' counsel and other consultants and advisors, with a view to ensuring the accuracy of disclosure; and

WHEREAS, the Finance and Budget Committee met on December 14, 2021, to review the issuance of the Series 2022B/C/D Bonds and has recommended approval of this Resolution by the Board;

NOW, THEREFORE, BE IT RESOLVED, that:

Section 1. Definitions and Interpretations. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Thirtieth Supplemental Indenture and the Thirty-First Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning assigned to them in this Section:

“Authorized Officials” means the Chairman and Vice Chairman of the Board and the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance and Procurement, Controller, Budget Director, Finance Director and Rates and Revenue Director of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, provided that any official other than the Chairman shall be designated by the Chairman as his designee for the purpose of executing and delivering any document authorized hereunder.

“Bond Purchase Agreement” means the Bond Purchase Agreement for the Series 2022B/C/D Bonds between the Authority and the Original Purchasers, dated as of the same date as the Certificate of Award.

“Certificate of Award” means the certificate of an Authorized Official awarding the Series 2022B/C/D Bonds to the Original Purchasers and the holders of the Exchanged Bonds, specifying terms of the Series 2022B/C/D Bonds, as provided for in Section 4 of this Resolution and identifying the Tendered Bonds, the Exchanged Bonds and the Refunded Bonds, if any.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the date of issuance and delivery of the Series 2022B/C/D Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Dealer Manager” means Goldman Sachs & Co. LLC.

“Dealer Manager Agreement” means the Dealer Manager Agreement between the Authority and the Dealer Manager and the materials attached thereto relating to the Exchange/Tender Offer.

“Escrow Agent” means the Trustee as Escrow Agent.

“Escrow Agreement” means the Escrow Agreement, dated the same date as the Series 2022D Bonds, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Financial Advisor” means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

“Interest Payment Dates” means for the Series 2022B/C/D Bonds, each April 1 and October 1, commencing on the April 1 or October 1 specified in the Certificate of Award as the first Interest Payment Date, and thereafter during the time the Series 2022B/C/D Bonds are Outstanding.

“Invitation” means the Invitation to Exchange or Tender Bonds and other ancillary documents relating to the Authority’s offer to exchange or purchase the Target Bonds.

“Original Purchasers” for the Series 2022B/C/D Bonds means, other than the Subseries 2022C-2 Bonds that are exchanged for the Exchanged Bonds, the purchasers identified as such in the Bond Purchase Agreement.

“Refunded Bonds” means any Outstanding Series 2014C Bonds, Series 2015A Bonds and Series 2015B Bonds to be caused to be deemed paid and no longer Outstanding under the Indenture as the result of the deposit of proceeds of the Series 2022D Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the Certificate of Award.

“Savings Threshold” means that, as the result of the tender of the Tendered Bonds, the exchange of the Exchanged Bonds and the advanced refunding of the Refunded Bonds, the Authority will achieve an aggregate reduction in bond debt service that has a present value at the time of sale of the Series 2022B/C/D Bonds equal to at least ten percent (10%) and will fulfill any other standards that any Authorized Official executing the Certificate of Award deems appropriate.

“Series 2022B Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2022B Debt Service Reserve Account or Accounts established under the Thirtieth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a “reasonably required reserve or replacement fund” under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2022B Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2022B Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

“Series 2022C Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2022C Debt Service Reserve Account or Accounts established under the Thirtieth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a “reasonably required reserve or replacement fund” under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2022C Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2022C Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

“Series 2022D Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2022D Debt

Service Reserve Account or Accounts established under the Thirty-First Supplemental Indenture, the amount of which shall be specified in the Certificate of Award.

“Thirtieth Supplemental Indenture” means the Thirtieth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2022B/C Bonds.

“Thirty-First Supplemental Indenture” means the Thirty-First Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2022D Bonds.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or responsibilities by operation of law and also those who or which at the time may legally act in their place.

Section 2. Authorization, Designation and Purposes of Series 2022B/C/D Bonds.

(a) *Series 2022B Bonds.* The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) One Hundred Million Dollars (\$100,000,000) aggregate principal amount of Series 2022B Bonds. The Series 2022B Bonds shall be designated “Public Utility Subordinate Lien Revenue Bonds, Series 2022B (Green Bonds)” and shall constitute Subordinate Debt for purposes of the Indenture, for the purpose of: (a) financing a portion of the costs of the Authority’s DC Clean Rivers Project, (b) funding a Series 2022B Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (c) paying issuance costs of the Series 2022B Bonds (including the fees and costs of any independent sustainability consultant engaged pursuant to Section 6). For those purposes the proceeds from the sale of the Series 2022B Bonds shall be allocated and deposited, as provided in the Thirtieth Supplemental Indenture. If and to the extent that any Series 2022B Bonds are issued for the purpose of funding a Series 2022B Debt Service Reserve Requirement, then the aggregate principal amount of Series 2022B Bonds hereby authorized may exceed \$100,000,000 by the aggregate principal amount of the Series 2022B Bonds to be issued for that purpose. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

(b) *Series 2022C Bonds.* The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, the Series 2022C Bonds which shall be designated “Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022C” and shall constitute Subordinate Debt for purposes of the Indenture. The Series 2022C Bonds shall consist of two subseries, Subseries 2022C-1 (the “Subseries 2022C-1 Bonds”) and Subseries 2022C-2 (the “Subseries 2022C-2 Bonds”) as follows

(i) Subseries 2022C-1 Bonds. The aggregate principal amount of the Subseries 2022C-1 Bonds the Authority is authorized to issue, sell and deliver shall not

exceed (except as provided below) One Hundred Twenty Million Dollars (\$120,000,000) for the purpose of: (A) financing certain Costs of the System; (B) refunding such portion of the CP Notes as may be specified in the Certificate of Award; (C) financing the purchase pursuant to the Exchange/Tender Offer of the Tendered Bonds and causing the Tendered Bonds to be deemed paid and no longer Outstanding for purposes of the Indenture; (D) funding a portion of the Series 2022C Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (E) paying a portion of the issuance costs of the Series 2022C Bonds (including fees and costs associated with the Exchange/Tender Offer including those of an information agent and a tender/exchange agent). For those purposes the proceeds from the sale of the Subseries 2022C-1 Bonds shall be allocated and deposited, as provided in the Thirtieth Supplemental Indenture. If and to the extent that any Subseries 2022C-1 Bonds are issued for the purpose of (A) financing the purchase pursuant to the Exchange/Tender Offer of the Tendered Bonds or (B) funding a portion of the Series 2022C Debt Service Reserve Requirement, then the aggregate principal amount of Subseries 2022C-1 Bonds hereby authorized may exceed \$120,000,000 by the aggregate principal amount of the Subseries 2022C-1 Bonds to be issued for these purposes.

(ii) Subseries 2022C-2 Bonds. The Subseries 2022C-2 Bonds shall be issued for the purpose of: (A) exchanging the Subseries 2022C-2 Bonds in place of the Exchanged Bonds and causing the Exchanged Bonds to be no longer Outstanding for purposes of the Indenture; (B) funding a portion of the Series 2022C Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (C) paying a portion of the issuance costs of the Series 2022C Bonds (including fees and costs associated with the Exchange/Tender Offer including those of an information agent and a tender/exchange agent). For those purposes the proceeds from the sale of the Subseries 2022C-2 Bonds shall be allocated and deposited, as provided in the Thirtieth Supplemental Indenture.

Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

(c) *Series 2022D Bonds*. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, the Series 2022D Bonds which shall be designated "Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable)" and shall constitute Subordinate Debt for purposes of the Indenture. The Series 2022D Bonds shall consist of two subseries, Subseries 2022D-1 (the "Subseries 2022D-1 Bonds") and Subseries 2022D-2 (the "Subseries 2022D-2 Bonds") as follows

(i) Subseries 2022D-1 Bonds. The aggregate principal amount of the Subseries 2022D-1 Bonds the Authority is authorized to issue, sell and deliver shall not exceed (except as provided below) Eighty Million Dollars (\$80,000,000) for the purpose of: (A) financing a portion of the Authority's share of the Washington Aqueduct's capital improvements and certain Costs of the System; (B) funding a portion of the Series 2022D Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (C) paying a portion of the issuance costs of the Series 2022D Bonds. If and to the

extent that any Subseries 2022D-1 Bonds are issued for the purpose of funding a portion of the Series 2022D Debt Service Reserve Requirement, then the aggregate principal amount of Subseries 2022D-1 Bonds hereby authorized may exceed \$80,000,000 by the aggregate principal amount of the Subseries 2022D-1 Bonds to be issued for that purpose.

(ii) Subseries 2022D-2 Bonds. The Subseries 2022D-2 Bonds shall be issued for the purpose of: (A) advance refunding the Refunded Bonds and causing the Refunded Bonds to be deemed paid and no longer Outstanding for purposes of the Indenture; (B) funding a portion of the Series 2022D Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (C) paying a portion of the issuance costs of the Series 2022D Bonds (including the fees and costs of any escrow bidding agent or verification agent engaged pursuant to Section 6); provided, however, that before an Authorized Official executes the Certificate of Award, the Authority's Financial Advisor shall have given the Authority a written certification that identifies the Tendered Bonds, the Exchanged Bonds and the Refunded Bonds (consistent with this Resolution) and determines that the Authority's issuance and sale of the Subseries 2022C-1 Bonds issued to purchase the Tendered Bonds, the Subseries 2022C-2 Bonds and the Subseries 2022D-2 Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Subseries 2022C-1 Bonds, Subseries 2022C-2 Bonds and Subseries 2022D-2 Bonds and any other legally available funds to finance the purchase of the Tendered Bonds and to advance refund the Refunded Bonds identified in the Financial Advisor's certificate as well as the exchange of any Exchanged Bonds for Subseries 2022C-2 Bonds, will meet the Savings Threshold.

The proceeds from the sale of the Series 2022D Bonds shall be allocated and deposited for those purposes and as provided in the Thirty-First Supplemental Indenture. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

Section 3. Terms and Provisions Applicable to the Series 2022B/C/D Bonds.

(a) Form, Transfer and Exchange. The Series 2022B/C/D Bonds: (i) shall initially be issued only in fully registered form and substantially in the forms attached as Exhibits to the Thirtieth Supplemental Indenture and the Thirty-First Supplemental Indenture, as applicable; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Thirtieth Supplemental Indenture or the Thirty-First Supplemental Indenture, as applicable.

(b) Denominations and Dates. The Series 2022B/C/D Bonds shall be dated as of the date of issuance and delivery, but in no event later than September 30, 2022, and there shall be a single Series 2022B/C/D Bond representing each interest rate for each maturity of the Series 2022B/C/D Bonds bearing the same series or subseries designation as provided in the Thirtieth Supplemental Indenture or the Thirty-First Supplemental Indenture, as applicable.

(c) Principal Maturities. The principal of the Series 2022B/C/D Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificates of Award, provided that the final principal retirement date shall be no later than December 31, 2062 and, with respect to the Subseries 2022C-1 Bonds issued to purchase the Tendered Bonds, Subseries 2022C-2 Bonds and Subseries 2022D-2 Bonds, the principal retirement schedule shall be consistent with the achievement on an aggregate basis of the Savings Threshold.

(d) Interest Rates and Interest Rate Periods for the Series 2022B/C/D Bonds.

(i) *Series 2022B, Subseries 2022C-1 Bonds and Subseries 2022D-1 Bonds.* The Series 2022B Bonds, Subseries 2022C-1 Bonds and Subseries 2022D-1 Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof; provided however, that the “true interest cost” (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Series 2022B Bonds, Subseries 2022C-1 Bonds and Subseries 2022D-1 Bonds shall not exceed five and one half percent (5.50%) per annum (excluding any Subseries 2022C-1 Bonds issued to purchase the Tendered Bonds).

(ii) *Subseries 2022C-2 Bonds, Series 2022D-2 Bonds and Certain Subseries 2022C-1 Bonds.* The Subseries 2022C-1 Bonds issued to purchase the Tendered Bonds, the Subseries 2022C-2 Bonds and the Series 2022D-2 Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof, provided however, that the “true interest cost” (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Subseries 2022C-1 Bonds issued to purchase the Tendered Bonds, the Subseries 2022C-2 Bonds and the Subseries 2022D-2 Bonds shall not exceed a rate that would cause the Savings Threshold not to be achieved. The principal of the Subseries 2022C-1 Bonds issued to purchase the Tendered Bonds, the Subseries 2022C-2 Bonds and the Subseries 2022D-2 Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the principal retirement schedule shall be consistent with the achievement of the Savings Threshold.

(e) Optional and Mandatory Redemption.

(i) *Optional Redemption of Series 2022B/C Bonds* - The Series 2022B/C Bonds maturing on or before any date specified in the Certificate of Award as

the Earliest Optional Redemption Date for the applicable Series 2022B/C Bonds or subseries thereof (which shall be no later than the outside date permitted by law) are not subject to prior optional redemption. Any Series 2022B/C Bond maturing after the applicable Earliest Optional Redemption Date for such Series 2022B/C Bonds or subseries thereof shall be subject to redemption at the option of the Authority, prior to their stated maturities on or after such Earliest Optional Redemption Date in whole or in part (in whole multiples of \$5,000) on any date, at redemption prices specified in the Certificate of Award, provided that no such redemption price (not including accrued interest) shall exceed 102% of the principal amount of the applicable Series 2022B/C Bonds to be redeemed.

(ii) *Optional Redemption of Series 2022D Bonds* – Prior to such date or dates specified in the Certificate of Award for the various maturities of the Series 2022D Bonds, the applicable Series 2022D Bonds shall be subject to make whole redemption prior to their stated maturities, at the option of the Authority, from any source of available funds, as a whole or in part, as specified in Section 301(a)(i) of the Thirty-First Supplemental Indenture. From and after the date or dates specified in the Certificate of Award, the applicable Series 2022D Bonds shall be subject to redemption prior to their stated maturities, at the option of the Authority, from any source of available funds, as a whole or in part, as specified in Section 301(a)(ii) of the Thirty-First Supplemental Indenture.

(iii) *Mandatory Sinking Fund Redemption* - Any Series 2022B/C/D Bonds may be designated in the Certificate of Award as Term Bonds and be subject to mandatory sinking fund redemption by lot on specified principal retirement dates at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(f) Redemption Provisions. Redemption of Series 2022B/C/D Bonds shall be effected in accordance with Article IV of the Master Indenture; provided, however, that notices of redemption of the Series 2022B/C/D Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon the Authority's depositing the funds needed to effect that redemption prior to the specified redemption date.

(g) Places and Manner of Payment. The principal of and the interest and any redemption premium on the Series 2022B/C/D Bonds shall be payable at the places and in the manner specified in the Thirtieth Supplemental Indenture or the Thirty-First Supplemental Indenture, as applicable.

(h) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2022B/C/D Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2022B/C/D Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2022B/C/D Bonds.

(a) General. The Series 2022B/C/D Bonds, other than the Subseries 2022C-2 Bonds that are exchanged for the Exchanged Bonds, shall be awarded and sold to the Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2022B/C/D Bonds times the percentage of such principal amount at which such Series 2022B/C/D Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2022B/C/D Bonds.

(b) Bond Purchase Agreement. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2022B/C/D Bonds and the sale thereof and the exchange of the Subseries 2022C-2 Bonds for the Exchanged Bonds, all as provided in this Resolution, the Bond Purchase Agreement, the Invitation, the Dealer Manager Agreement, the Certificate of Award, the Thirtieth Supplemental Indenture and the Thirty-First Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.

(c) Certificate of Award. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2022B/C/D Bonds approved in the Certificate of Award shall be incorporated into the Thirtieth Supplemental Indenture or the Thirty-First Supplemental Indenture, as applicable. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) with respect to each series or subseries of the Series 2022B/C/D Bonds, specify the aggregate principal amount, the purchase price, the first Interest Payment Dates, the interest rate or rates, the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to any of the Series 2022B/C/D Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2022B Debt Service Reserve Requirement, the Series 2022C Debt Service Reserve Requirement and the Series 2022D Debt Service Reserve Requirement and determine whether it shall be met entirely with (A) cash and Permitted Investments (as defined in the Indenture); (B) a Qualified Reserve Credit Facility (as defined in the Indenture); or (C) a specified combination of (A) and (B); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond

Purchase Agreement. The Certificate of Award shall identify the Tendered Bonds, the Exchanged Bonds and the Refunded Bonds, if any.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of any applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on any of the Series 2022B/C/D Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2022B Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2022B Bonds. There is hereby authorized to be paid from the moneys deposited in the Series 2022C Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2022C Bonds. There is hereby authorized to be paid from the moneys deposited in the Series 2022D Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2022D Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.

(e) Certificates. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver to the Original Purchasers, the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.

(f) Delivery of Bonds. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2022B/C/D Bonds (other than the Subseries 2022C-2 Bonds) to the Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2022B/C/D Bonds, and the execution, authentication and delivery of the applicable Series 2022B/C/D Bonds to DTC for the accounts of the Original Purchasers, in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the holders of the Exchanged Bonds to establish the date, location, procedure and conditions for the

delivery of the Subseries 2022C-2 Bonds exchanged in place of the Exchanged Bonds in accordance with the Exchange/Tender Offer.

Section 5. Allocation of Proceeds of the Series 2022B/C/D Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2022B/C Bonds. The proceeds from the sale of the Series 2022B/C Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirtieth Supplemental Indenture.

(b) Allocation of Proceeds of the Series 2022D Bonds. The proceeds from the sale of the Series 2022D Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirty-First Supplemental Indenture.

(c) Tax Covenants. The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2022B/C Bonds.

Section 6. Thirtieth Supplemental Indenture, Thirty-First Supplemental Indenture, Dealer Manager Agreement, Invitation to Exchange or Tender Bonds, Escrow Agreement and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2022B/C/D Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirtieth Supplemental Indenture and the Thirty-First Supplemental Indenture, each substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2022B Bonds, to engage Vigeo Eiris USA LLC as an independent sustainability consultant to prepare an opinion regarding the Authority's DC Clean Rivers Project.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2022C Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Dealer Manager Agreement together with the materials attached thereto relating to the Exchange/Tender Offer, including the proposed form of the Invitation, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and

deliver the certificates required by the Dealer Manager Agreement to be executed on behalf of the Authority.

The Dealer Manager is authorized to conduct the Exchange/Tender Offer described in the Dealer Manager Agreement on behalf of the Authority, including the distribution of the Invitation, provided that nothing contained herein or in the Invitation shall be deemed to preclude the Dealer Manager from seeking exchanges of the Target Bonds from individual owners thereof on terms different from those set forth in the Invitation.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Subseries 2022D-2 Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Escrow Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. If in the Certificate of Award, an Authorized Official determines that it is in the Authority's best interest to authorize the purchase of open-market securities to effect the advance refunding of the Refunded Bonds, the Authorized Official is authorized to engage an agent for the purchase of such securities. With respect to the Escrow Agreement and to the extent any escrow securities are to be purchased thereunder, the Certificate of Award shall designate an independent firm experienced in the preparation of verification reports to verify or certify such escrow securities to be of such maturities and interest payment dates, and to bear such interest, as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with any cash deposited with and to be retained in that form by the Escrow Agent, to pay the principal of and interest and any premium on the Refunded Bonds, on their respective maturity or redemption date or dates, as provided in the Escrow Agreement.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2022B/C/D Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Dealer Manager Agreement, the Invitation and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2022B/C/D Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other

document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2022B/C/D Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Original Purchasers for distribution to prospective purchasers of the Series 2022B/C/D Bonds and other interested persons. The preliminary Official Statement, shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to (i) the holders of the Exchanged Bonds and (ii) the Original Purchasers to sell book entry interests in the Series 2022B/C/D Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Original Purchasers as may be reasonably requested to qualify the Series 2022B/C/D Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2022B/C/D Bonds, the price of the Series 2022B/C/D Bonds to the general public, any credit enhancement provisions with respect to the Series 2022B/C/D Bonds and any change in ratings of the Series 2022B/C/D Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2022B/C/D Bonds, and (ii)

to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

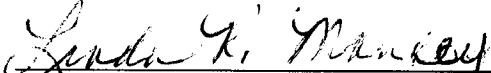
The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2022B/C/D Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2022B/C/D Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Original Purchasers of the Series 2022B/C/D Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2022B/C/D Bonds along with other information as is necessary or proper with respect to the Series 2022B/C/D Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, if the Chief Financial Officer and Executive Vice President, Finance and Procurement, determines it to be advantageous to the Authority, each of the Series 2022B Bonds, the Series 2022C Bonds and the Series 2022D Bonds may be issued in one or more separate series or subseries, each bearing a distinctive designation, provided that the Series 2022B/C/D Bonds of all series in the aggregate, must satisfy the requirements and comply with the restrictions of this Resolution and the Indenture. Separate series and subseries of Series 2022B/C/D Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2022B/C/D Bonds of each series and subseries shall be designated as provided in the applicable Certificate of Award. A separate Certificate of Award may be delivered for each series or subseries, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Supplemental Trust Indenture may be entered into for each series or subseries, and each reference in this Resolution to the Thirtieth Supplemental Indenture or the Thirty-First Supplemental Indenture, as applicable, shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the

Thirtieth Supplemental Indenture shall bear a different designation. A separate Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each series or subseries, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements or Continuing Disclosure Agreements, respectively. A separate Official Statement may be prepared for each series or subseries, and each reference in this Resolution to the Official Statement shall refer to each and all such Official Statements.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: January 6, 2022
Subject: Approving the Final Form of Certain Documents,
Authorizing the Sale and Setting Terms and Details
of the Series 2022E Bonds

#22-01
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 (“Authority”), at its meeting on January 6, 2022, by a vote of eleven (11) in favor and none (0) opposed, decided to approve the following:

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the “WASA Act”), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Computershare Trust Company, N.A., as trustee (the “Trustee”) (its predecessors in that capacity having been Norwest Bank Minnesota, N.A., Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture” and, as supplemented and amended, the “Indenture”), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

WHEREAS, the Authority has heretofore entered into twenty-nine (29) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (both as defined in the Indenture) or to amend and clarify the Master Indenture and further intends to enter into the Thirtieth Supplemental Indenture in connection with the issuance of the Public Utility Subordinate Lien Revenue Bonds, Series 2022B (Green Bonds) and Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022C and the Thirty-First Supplemental Indenture in connection with the issuance of the Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable); and

WHEREAS, the Authority now also intends: (i) to issue Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2022E (the “Series 2022E Bonds”) to: (a) finance

certain Costs of the System; (b) fund a Series 2022E Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance of the Series 2022E Bonds; (ii) to designate the Series 2022E Bonds as Subordinate Debt for purposes of the Indenture; and (iii) to secure the Series 2022E Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance and Procurement, the Chief Engineer and the Chief Legal Officer and Executive Vice President, Legal Affairs of the Authority have informed the Board that their offices have established “due diligence” procedures for reviewing the documents authorized by this Resolution with the Authority’s bond counsel, disclosure counsel, financial advisors, underwriters, underwriters’ counsel and other consultants and advisors, with a view to ensuring the accuracy of disclosure; and

WHEREAS, the Finance and Budget Committee met on December 14, 2021, to review the issuance of the Series 2022E Bonds and has recommended approval of this Resolution by the Board;

NOW, THEREFORE, BE IT RESOLVED, that:

Section 1. Definitions and Interpretations. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Thirty-Second Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning assigned to them in this Section:

“Authorized Officials” means the Chairman and Vice Chairman of the Board and the CEO and General Manager, the Chief Financial Officer and Executive Vice President, Finance and Procurement, Controller, Budget Director, Finance Director and Rates and Revenue Director of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, provided that any official other than the Chairman shall be designated by the Chairman as his designee for the purpose of executing and delivering any document authorized hereunder.

“Bond Purchase Agreement” means the Bond Purchase Agreement for the Series 2022E Bonds between the Authority and the Original Purchasers, dated as of the same date as the Certificate of Award.

“Certificate of Award” means the certificate of an Authorized Official awarding the Series 2022E Bonds to the Original Purchasers and specifying terms of the Series 2022E Bonds, as provided for in Section 4 of this Resolution.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the date of

issuance and delivery of the Series 2022E Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Financial Advisor” means, collectively, PFM Financial Advisors LLC and Sustainable Capital Advisors.

“Interest Payment Dates” means the “Interest Payment Date” as defined for the Series 2022E Bonds in the Thirty-Second Supplemental Indenture.

“Original Purchasers” for the Series 2022E Bonds means the purchasers identified as such in the Bond Purchase Agreement.

“Remarketing Agent” means any Remarketing Agent designated for the Series 2022E Bonds under the Thirty-Second Supplemental Indenture. RBC Capital Markets, LLC is the initial Remarketing Agent.

“Remarketing Agreement” means any Remarketing Agreement entered into for the Series 2022E Bonds under the Thirty-Second Supplemental Indenture.

“Series 2022E Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2022E Debt Service Reserve Account or Accounts established under the Thirty-Second Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a “reasonably required reserve or replacement fund” under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the existence of a balance in the Series 2022E Debt Service Reserve Account in the amount of the specified required fund balance will not cause the interest on any Series 2022E Bonds intended to be excluded from gross income for federal income tax purposes not to be so excluded.

“Tender Agent” means any Tender Agent designated for the Series 2022E Bonds under the Thirty-Second Supplemental Indenture. The Trustee is the initial Tender Agent.

“Thirty-Second Supplemental Indenture” means the Thirty-Second Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2022E Bonds.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or responsibilities by operation of law and also those who or which at the time may legally act in their place.

Section 2. Authorization, Designation and Purposes of Series 2022E Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the

Certificate of Award, not to exceed (except as provided below) One Hundred Million Dollars (\$100,000,000) aggregate principal amount of Series 2022E Bonds. The Series 2022E Bonds shall be designated "Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2022E" and shall constitute Subordinate Debt for purposes of the Indenture, for the purpose of: (a) financing certain Costs of the System; (b) funding a Series 2022E Debt Service Reserve Requirement, if determined necessary in the Certificate of Award; and (c) paying issuance costs of the Series 2022E Bonds. For those purposes the proceeds from the sale of the Series 2022E Bonds shall be allocated and deposited, as provided in the Thirty-Second Supplemental Indenture. If and to the extent that any Series 2022E Bonds are issued for the purpose of funding a Series 2022E Debt Service Reserve Requirement, then the aggregate principal amount of Series 2022E Bonds hereby authorized may exceed \$100,000,000 by the aggregate principal amount of the Series 2022E Bonds to be issued for that purpose. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

Section 3. Terms and Provisions Applicable to the Series 2022E Bonds.

(a) Form, Transfer and Exchange. The Series 2022E Bonds: (i) shall initially be issued only in fully registered form and substantially in the form attached as Exhibit A to the Thirty-Second Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Thirty-Second Supplemental Indenture.

(b) Denominations and Dates. The Series 2022E Bonds shall be dated as of the date of issuance and delivery, but in no event later than September 30, 2022, and there shall be a single Series E Bond for each maturity of the Series 2022E Bonds bearing the same series or subseries designation as provided in the Thirty-Second Supplemental Indenture.

(c) Principal Maturities. The principal of the Series 2022E Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificates of Award, provided that the final principal retirement date shall be no later than December 31, 2062.

(d) Interest Rates and Interest Rate Periods for the Series 2022E Bonds. The Series 2022E Bonds shall initially be issued as Long-Term Rate Bonds. The initial interest rate for the Series 2022E Bonds will be the rate that the Original Purchasers determine is necessary to sell the Series 2022E Bonds at a minimum price of ninety-eight percent (98%) of the principal amount of the Series 2022E Bonds and subject to the Maximum Rate. The Series 2022E Bonds initially may be issued in multiple subseries, as determined in the Certificate of Award. The provisions of Section 403 of the Thirty-Second Supplemental Indenture shall govern the interest rates per annum and payment terms of the Series 2022E Bonds. After the Initial Period, the Series 2022E Bonds may bear interest at Daily Rates, Weekly Rates, Short-Term Rates, Index Rates or Fixed Rates, or may continue to bear interest at Long-Term Rates, all determined in accordance

with the Thirty-Second Supplemental Indenture, and shall be subject to conversion between Interest Rate Periods on the terms, in the manner, and subject to the conditions set forth in the Indenture.

(e) Tender, Purchase, Remarketing and Optional Redemption. For the purpose of effecting the provisions of the Thirty-Second Supplemental Indenture relating to the tender, purchase and remarketing of the Series 2022E Bonds, the Authority shall appoint or engage the Tender Agent and Remarketing Agent at the times, in the manner, and subject to the conditions set forth in the Thirty-Second Supplemental Indenture. The Series 2022E Bonds shall be subject to redemption prior to stated maturity as and to the extent provided in the Thirty-Second Supplemental Indenture and shall be subject from time to time to optional and mandatory tender for purchase as provided in the Thirty-Second Supplemental Indenture.

(f) Places and Manner of Payment. The principal and tender price of and the interest and any redemption premium on the Series 2022E Bonds shall be payable as specified in the Thirty-Second Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2022E Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2022E Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2022E Bonds.

(a) General. The Series 2022E Bonds shall be awarded and sold to the Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2022E Bonds times the percentage of such principal amount at which such Series 2022E Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2022E Bonds.

(b) Bond Purchase Agreement. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2022E Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award and the Thirty-Second Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.

(c) Certificate of Award. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2022E Bonds approved in the Certificate of Award shall be incorporated into the Thirty-Second Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) state, with respect to the Series 2022E Bonds, the aggregate principal amount, the purchase price, the first Interest Payment Dates, the principal retirement dates, the mandatory sinking fund requirements (if any), the mandatory tender date (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to any of the Series 2022E Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2022E Debt Service Reserve Requirement and determine whether it shall be met entirely with (A) cash and Permitted Investments (as defined in the Indenture); (B) a Qualified Reserve Credit Facility (as defined in the Indenture); or (C) a specified combination of (A) and (B); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement. A separate Certificate of Award may be delivered for each subseries of the Series 2022E Bonds, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Bond Purchase Agreement, and Continuing Disclosure Agreement may be entered into for each subseries of the Series 2022E Bonds, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements or Continuing Disclosure Agreements, respectively.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of any applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on any of the Series 2022E Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2022E Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2022E Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.

(e) Certificates. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver to the Original Purchasers, the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.

(f) Delivery of Bonds. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2022E Bonds to the Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2022E Bonds, and the execution, authentication and delivery of the Series 2022E Bonds to DTC for the accounts of the Original Purchasers, in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

Section 5. Allocation of Proceeds of the Series 2022E Bonds; Tax Covenants.

(a) Allocation of Proceeds of the Series 2022E Bonds. The proceeds from the sale of the Series 2022E Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirty-Second Supplemental Indenture.

(b) Tax Covenants. The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2022E Bonds.

Section 6. Thirty-Second Supplemental Indenture and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2022E Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirty-Second Supplemental Indenture and the Remarketing Agreement with the initial Remarketing Agent, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2022E Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Thirty-Second Supplemental Indenture, the Bond Purchase Agreement and this Resolution.

Following the issuance of the Series 2022E Bonds, if a successor Remarketing Agent is appointed by the Authority, the Authorized Officials are, and each of them is, authorized to execute, acknowledge and deliver, in the name of and on behalf of the Authority, the Remarketing Agreement with the successor Remarketing Agent in a form then determined by the Authorized Officer executing the document on behalf of the Authority to be consistent with the Indenture and this Resolution. The determination of such consistency shall be conclusively evidenced by the execution of the document by an Authorized Official.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2022E Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2022E Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Original Purchasers for distribution to prospective purchasers of the Series 2022E Bonds and other interested persons. The preliminary Official Statement, shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Original Purchasers to sell book entry interests in the Series 2022E Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Original Purchasers as may be reasonably requested to qualify the Series 2022E Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2022E Bonds, the price of the Series 2022E Bonds to the general public, any credit enhancement provisions with respect to the Series 2022E Bonds and any change in ratings of the Series 2022E Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2022E Bonds, and (ii) to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2022E Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2022E Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Original Purchasers of the Series 2022E Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2022E Bonds along with other information as is necessary or proper with respect to the Series 2022E Bonds.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: January 6, 2022
SUBJECT: Approval of 2022 Amended Revised "Statement of Investment Policy"

#22-02
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 January 6, 2022, decided by a vote of eleven (11) in favor and none (0) 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, Resolution 14-32, changed and superseded previous Investment Policy resolutions 97-122, 01-17, 02-66, 07-73, and 11-103;


WHEREAS, on January 6, 2022, the Board of Directors approved amendments to resolution 14-32 (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 January 6, 2022 and authorizes the CEO and General Manager to implement the policy.

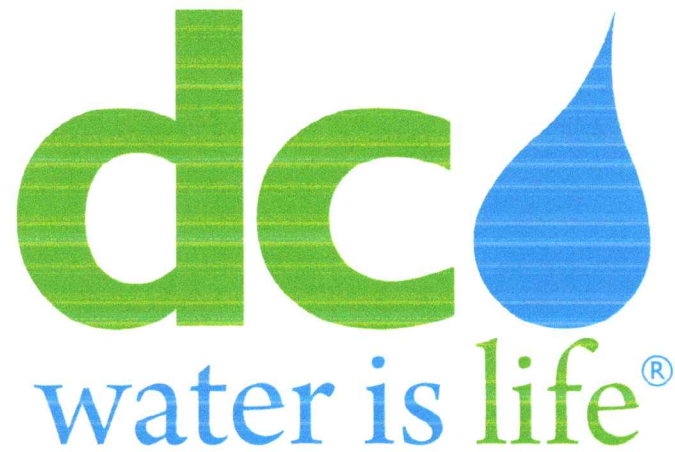
1. Authorized Investments
2. Portfolio Diversification
3. Maximum Maturity

This resolution is effective immediately.


Secretary to the Board of Directors

District of Columbia Water and Sewer Authority

Statement of Investment Policy



Amended December 14, 2021

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” or “Authority”).

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 laws and regulations governing the investment of DC Water funds and any investment restrictions imposed by bond covenants held by DC Water. 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 CEO and General Manager (“GM”). By letter of delegation, the GM 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 subject to the ratings requirements and/or maturity limitations which are established to help mitigate investment risks. For all security types the "time of purchase" is defined as the settlement date of any investment transaction. The ratings requirements establish minimum permitted ratings and are included without regards to any rating modifier.

- 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.
- 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 17 C.F.R. § 270.2a-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, with a rating of at least AA or equivalent from two (2) NRSROs.
- 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 corporations may be purchased if the following conditions are met:
- 1) the maturity is no greater than one (1) year
 - 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 A (or its equivalent) from at least two NRSROs; 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** 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 A (or its equivalent) from at least two NRSROs 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) a rating of at least AA (or its equivalent) by two NRSROs; 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 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:

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	50%	5%
G. Collateralized Certificates of Deposit	30%	5%
H. Corporate Notes	40%	5%
I. FDIC-Insured Certificates of Deposit	30%	5%
J. Mortgage Backed Securities	30%	5%
K. Negotiable Certificates of Deposit	50%	5%
L. Supranational Bonds	30%	5%
M. Municipal Obligations	30%	5%

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. 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 6th day of January 2022.

Glossary

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

Bankers' Acceptance: A draft or bill of 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.

Rating: An assessment provided by a NRSRO of an issuer's capability of repaying its short-term and longer-term debt obligations. A rating may be assigned by an NRSRO at the issuer or issue level and a rating may be further enhanced by a rating modifier.

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: January 6, 2022
Subject: Approval to Publish the Notice of Final Rulemaking to Amend DC Water's Local Limits and Non-Wastewater Flow Regulations in 21 DCMR Chapter 15

#22-03
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, ("DC Water") at its meeting on January 6, 2022, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none(0) opposed, to approve the following action with respect to publication of Notice of Final Rulemaking to amend DC Water's Local Limits and Non-Wastewater Flow regulations in 21 DCMR Chapter 15.

WHEREAS, on September 23, 2021, the Environmental Quality and Operations Committee met to consider amendments to DC Water's pretreatment regulations promulgated in 21 DCMR Chapter 15, Discharges to Wastewater System; and

WHEREAS, in accordance Part IV.A.5 National Pollutant Discharge Elimination System Permit (NPDES Permit) issued by the U.S. Environmental Protection Agency (EPA) Region III, effective August 26, 2018, DC Water is required to conduct and submit a local limits headworks analysis and within six (6) months of EPA's approval, adopt the revised local limits and notify all contributing municipalities of the need to adopt those revised local limits; and

WHEREAS, DC Water completed its local limits headworks and submitted a draft and final report to EPA on February 28, 2020, and July 19, 2021, respectively, which EPA approved on August 3, 2021; and

WHEREAS, based on the headworks analysis, DC Water proposed the following amendments to DC Water's local limits to establish:

1. More stringent limits for arsenic, molybdenum, silver, and cyanide;
2. Less stringent limits for cadmium, mercury, and nickel;
3. No changes to the limits for copper, lead, zinc, petroleum oil and grease, and PCBs; and
4. A new limit for selenium.

WHEREAS, DC Water also proposed the following amendments to the wastewater flow regulations to:

1. Change the linear dimension for discharge of solids from one-inch to one-half inch;
2. Clarify the prohibition on waste from a marine holding tank to include waste from a mobile vehicle;
3. Change the upper pH limit for continuous pH monitoring from 12.5 to 12.0;
4. Permit discharges of uncontaminated non-wastewater flows from industrial processes to a sanitary sewer;
5. Permit discharges of cooling water to a sanitary sewer; and
6. Permit discharges for temporary connections to a combined sewer regardless of the proximity to a separate storm sewer.

WHEREAS, on September 23, 2021 the Environmental Quality and Operations Committee, after consideration and discussion regarding the benefits and challenges implementing the proposed amendments, recommended the Board to amend DC Water's local limits and non-wastewater flow regulations in 21 DCMR Chapter 15; and

WHEREAS, on October 7, the Board, through Resolution #21-113, approved the publication of the Notice of Proposed Rulemaking (NOPR) to amend DC Water's local limits and non-wastewater flow regulations in 21 DCMR Chapter 15; and

WHEREAS, on October 22, 2021, DC Water published the NOPR in the D.C. Register at 68 DCR 011122 to receive comments from the public on the NOPR; and

WHEREAS, on December 16, 2021, the Environmental Quality and Operations Committee met to consider comments on the NOPR and the final proposal to amend DC Water's local limits and non-wastewater flow regulations in 21 DCMR Chapter 15; and

WHEREAS, the General Manager reported to the Committee that no comments were submitted on the NOPR and no additional revisions were proposed, and after discussion with the Committee, recommended the amendments to the DC Water's local limits and non-wastewater flow regulations in 21 DCMR Chapter 15 as presented in Attachment A; and

WHEREAS, the General Manager also reported that conforming amendments are necessary to D.C. Official Code § 8-105.06(b)(2)(C) and 8-105.06(d), Wastewater System Regulation Amendment Act, to implement the increase of the linear dimension for discharge of solids from one-inch to one-half inch and to permit cooling water discharges to a sanitary sewer; and the Department of Governance and Legal Affairs will work with the Council of the District of Columbia to enact these changes; and

WHEREAS, on December 16, 2021, after considering the General Manager's recommendation, the Environmental Quality and Operations Committee recommended the Board adopt and approve the publication of the Notice of Final Rulemaking to amend DC Water's local limits and non-wastewater flow regulations in 21 DCMR Chapter 15;

WHEREAS, on January 6, 2022, after consideration of the recommendations from the DC Water and Sewer Rates Committee and the General Manager, the Board of Directors agreed to adopt and approve the amendments to 21 DCMR Chapter 15, Discharges to Wastewater System, as presented in Attachment A – Final Rulemaking.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board adopts and approves the publication of the Notice of Final Rulemaking to amend DC Water's local limits and non-wastewater flow regulations in 21 DCMR Chapter 15, Discharge to Wastewater System, as provided in Attachment A.
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required in accordance with the District of Columbia Administrative Procedure Act.
3. This resolution is effective immediately.


Secretary to the Board of Directors

Attachment A

21 DCMR Chapter 15, Discharges to Wastewater System is amended as follows:

1. Paragraph (c) (2) and k, Subsection 1501.4 are amended to read as follows:

1501.4 Specific Prohibitions: No User shall introduce the following pollutants into the District's wastewater system:

- (c) Solid or viscous substances in amounts which may cause, or contribute to obstruction of the flow in a sewer or otherwise interfere with the operation of the District's wastewater system, including, but not limited to:
 - (1) Substances which may solidify or become viscous at temperatures above thirty-two degrees Fahrenheit (32° F) or zero degrees Centigrade (0° C);
 - (2) Solids have any linear dimensions greater than one-half inch (1/2 in.);
- (k) Unless DC Water specifically authorizes any substance including, but not limited to:
 - (1) Septic tank sludge;
 - (2) Restaurant grease;
 - (3) Waste from a fuel service station;
 - (4) Waste from a marine or mobile vehicle holding tank; and
 - (5) Waste from a portable toilet;

2. Paragraph (a), Table I, and paragraph (b), Subsection 1501.8 are amended to read as follows:

1501.8 The following shall apply to discharges into the wastewater system:

- (a) No User shall discharge into the wastewater system arsenic, cadmium, copper, lead, mercury, molybdenum, nickel, selenium, silver, zinc, cyanide, oil and grease (petroleum), or Polychlorinated Biphenyls (PCBs) in concentrations greater than those listed in Table I of this subsection unless authorized in writing by DC Water in a Wastewater Discharge Permit;

TABLE I

SUBSTANCE	DAILY MAXIMUM CONCENTRATION, mg/L
Arsenic (T)	0.20
Cadmium (T)	0.10
Copper (T)	2.3
Lead (T)	1.0
Mercury (T)	0.035
Molybdenum (T)	0.19
Nickel (T)	3.4
Selenium	0.25
Silver (T)	1.2
Zinc (T)	3.4
Cyanide (T)	0.31
Oil and Grease (petroleum)	100
PCBs (T)(1)	Non-detect

(T) - Total

(1) - Total PCBs shall be measured using an EPA-approved Method in 40 CFR Part 136 with a reporting limit of at least one thousandth milligram per liter (0.001 mg/L).

- (b) Industrial Users may be required to monitor other pollutants, including, but not limited to, chromium, total toxic organics (TTO), and any other pollutants as required by DC Water;
- (c) For purposes of this subsection, “daily maximum concentration” shall be determined using grab samples for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organic compounds. For all other pollutants, the daily maximum concentration shall be determined using twenty-four (24) hour flow-proportional composite samples collected over the daily operation, unless time-proportional composite or other composite sampling or grab sampling is representative of the discharge and is authorized by DC Water in accordance with § 1507.6; and

3. Subsection 1501.9 is amended to read as follows:

1501.9 Where an Industrial User continuously measures the pH of a wastewater discharge and either voluntarily or pursuant to a requirement in a permit, the Industrial User shall maintain the pH of such wastewater within the range set forth in the permit, except excursions from the range are authorized subject to the following limitations:

- (a) No excursion below five (5.0) or above twelve (12.0) is authorized;
- (b) The total time during which the pH values are outside the permitted range of pH values shall not exceed seven (7) hours and twenty-six (26) minutes in any calendar month; and
- (c) No individual excursion from the permitted range of pH values shall exceed sixty (60) minutes.

4. Subsections 1501.14, 15, and 16 is amended to read as follows:

1501.14 [RESERVED]

1501.15 [RESERVED]

1501.16 The following shall apply to discharges of non-wastewater flows to the District's wastewater system:

- (a) All uncontaminated non-wastewater flows that do not result from an industrial process, including all storm waters (including snow melt), surface waters, ground waters, subsurface drainage (including foundation, footing, and under drainage), roof drainage, irrigation waters, diverted stream flows, or spring waters shall not be discharged to sewers specifically designated as sanitary sewers;
- (b) Whenever DC Water determines that a User is discharging uncontaminated non-wastewater flows to a sewer specifically designated as sanitary sewer, DC Water shall notify the User and require such discharge to be connected to the storm sewer system or natural outlet at the expense of the User, in accordance with District laws and regulations;
- (c) For permanent connections, if there is no separate storm sewer within one hundred feet (100 ft.) of the property line of a residential property or two hundred fifty feet (250 ft.) of a commercial property, the uncontaminated non-wastewater flows may be discharged to the combined sewer system, if authorized in writing by DC Water through approval of a District of Columbia Department of Consumer and Regulatory Affairs (DCRA) Construction Permit; and
- (d) Where combined sewers are provided, DC Water may authorize the discharge of storm water to the combined sewer system provided that:
 - (1) Where a DCRA Construction Permit is required, the post-

development peak storm water discharge to the combined sewer for the twenty-four (24) hour two (2) and fifteen (15) year frequency storm events shall be equal to or less than the peak discharge for the predevelopment condition; and

- (2) The provisions of subparagraph (d)(1) shall not apply to:
 - (A) Additions, or modifications to existing single family residential structures, detached garages, sheds, swimming pools or similar improvement; and
 - (B) Construction or grading operations or both that do not disturb more than five thousand square feet (5,000 sq. ft.) of land area, unless such construction or grading operation is part of an approved subdivision plan;
- (e) A User may petition the General Manager to reconsider DC Water's determination that their uncontaminated non-wastewater flows are discharging to a sewer specifically designated as sanitary sewer, by notifying the General Manager in writing no later than fifteen (15) days after the date of the notice issued pursuant to § 1501.16(b). The petition shall include all documents and data in support of the petition;
- (f) Upon receipt of the petition for reconsideration, the General Manager shall investigate DC Water's determination, review the supporting documentation provided, and notify the User of the results of the determinations of the General Manager; and
- (g) A User may appeal the determinations of the General Manager by filing a petition for an administrative hearing within fifteen (15) days of the date of receipt of the notice issued pursuant to § 1501.16(f). This petition shall be filed in accordance with the requirements set forth in § 1519 and 21 DCMR § 412.

1501.17 All Industrial Users shall comply with National pretreatment regulations in 40 C.F.R. Part 403 and the applicable National Categorical Pretreatment Standards set forth in 40 C.F.R. Chapter I, Subchapter N, Parts 405 through 471.

1501.18 When wastewater subject to a Categorical Pretreatment Standard is mixed with wastewater not regulated by the same Categorical Pretreatment Standard, DC Water shall impose an alternate limit in accordance with 40 C.F.R. § 403.6(e).

5. Paragraph 1509.5(a) is amended to conform to proposed amendments to 1501.14 to read as follows:

1509.5 The TDA Permit may be issued under the following conditions:

- (a) The discharge consists entirely of treated or untreated non-wastewater flows or other approved wastewater discharges and is being discharged to the combined sewer system or consists of contaminated non-wastewater flows or approved wastewater discharges to the sanitary sewer system in conformance to § 1501.16(a);

6. Section 1501.99 is amended the definition for the phrase “non-wastewater flows” to read as follows:

Non-wastewater flows – discharges that do not result from an industrial process, which include storm waters (including snow melt), surface waters, ground waters, subsurface drainage (including foundation, footing, and under drainage), roof drainage, irrigation waters, diverted stream flows, and spring waters.

Presented and Adopted: January 6, 2022
SUBJECT: Approval to Execute Change Order No. 001 of Contract
No. 190020, Anchor Construction Corporation

#22-04
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 January 6, 2022, upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed to execute Change Order No. 001 of Contract No. 190020, Anchor Construction Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the CEO/General Manager to execute Change Order No. 001 of Contract No. 190020, Anchor Construction Corporation. The purpose of the change order is to increase the contract by 43% from FY20 to FY 21 due to an increase in sewer lateral replacements performed by the Sanitary Sewer Lateral Replacement Contractor due to the pandemic and not able to enter individual homes. The change order amount is \$5,000,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: January 6, 2022
SUBJECT: Approval to Execute Contract No. 180030, Spinello Companies

#22-05
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 January 6, 2022, upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed to execute Contract No. 180030, Spinello Companies.

Be it resolved that:

The Board of Directors hereby authorizes the CEO/General Manager to execute Contract No. 180030, Spinello Companies. The purpose of the contract is to replace small diameter water mains that have experienced failures, or have a history of low water pressure, or water quality issues across various locations within the District of Columbia. The contract amount is \$14,673,300.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: January 6, 2022
SUBJECT: Approval to Execute Contract No. 10140, RedZone Robotics, Inc.

#22-06
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 January 6, 2022, upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed to execute Contract No. 10140, RedZone Robotics, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the CEO/General Manager to execute Contract No. 10140, RedZone Robotics, Inc. The purpose of the contract is to perform video inspection and assessment of all small, local sewers within DC Water's Service Area. The contract amount is \$5,858,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: January 6, 2022

SUBJECT: Approval to Participate in the District Department of Transportation's (DDOT) Project to Reconstruct Martin Luther King Jr., Ave., SE Phase II from South Capitol Street, SE to 4th Street, SE Under the MOU between DDOT and DC Water under the 2002 Memorandum of Understanding

**#22-07
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 January 6, 2022, upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none(0) opposed to execute the Approval to Participate in the District Department of Transportation's (DDOT) Project to Reconstruct Martin Luther King Jr., Ave., SE Phase II from South Capitol Street, SE to 4th Street, SE Under the MOU between DDOT and DC Water under the 2002 Memorandum of Understanding.

Be it resolved that:

The Board of Directors hereby authorizes the CEO/General Manager to execute the Approval to Participate in the District Department of Transportation's (DDOT) Project to Reconstruct Martin Luther King Jr., Ave., SE Phase II from South Capitol Street, SE to 4th Street, SE Under the MOU between DDOT and DC Water under the 2002 Memorandum of Understanding. The purpose of participating is to replace small diameter water mains that have experienced failures, or have a history of low water pressure, or water quality issues within the District of Columbia in conjunction with DDOT's project. The amount is \$2,753,000.

This Resolution is effective immediately.


Secretary to the Board of Directors