

**TAX COMPLIANCE CERTIFICATE
OF ISSUER**

Pertaining to

\$506,360,000

**District of Columbia Water and Sewer Authority
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A Bonds Dated as of
July 30, 2024**

The District of Columbia Water and Sewer Authority (“**Issuer**”), by its officer signing this Certificate, certifies, represents and covenants as follows with respect to the captioned bonds (“**Issue**”) being issued pursuant to Master Indenture of Trust, dated as of April 1, 1998 (the “**Master Indenture**”), as amended and supplemented from time to time, including as amended and supplemented by the Thirty-Third Supplemental Indenture of Trust (the “**Thirty-Third Supplemental Indenture**” and, together with the Master Indenture, as previously amended and supplemented, the “**Indenture**”). All statements in this Certificate are of facts or, as to events to occur in the future, reasonable expectations.

I. DEFINITIONS

1.10 **Attachment A.** The definitions and cross references set forth in Attachment A apply to this Certificate and its Attachments. All capitalized terms relating to a particular issue, such as Sale Proceeds, relate to the Issue, unless indicated otherwise. (For example, “Sale Proceeds” refers to Sale Proceeds of the Issue, unless indicated otherwise.)

1.20 **Special Definitions.** In addition, the following definitions apply to this Certificate and its Attachments:

“**2001 Commercial Paper Prior Issue Project**” means capital expenditures for improvements to the water distribution system and wastewater collection, treatment and disposal system, legal title to which is held by the District of Columbia and which is operated by the Issuer.

“**2001 Commercial Paper Prior Issue**” means, together, the 2001A Commercial Paper Prior Issue and the 2001B Commercial Paper Prior Issue, which collectively constituted a single issue of obligations for federal income tax purposes.

“**2001A Commercial Paper Prior Issue**” means the Issuer’s Commercial Paper Notes, Series A, initially issued on November 27, 2001, to pay the costs of the 2001 Commercial Paper Prior Issue Project.

“**2001B Commercial Paper Prior Issue**” means the Issuer’s Commercial Paper Notes, Series B, initially issued on November 27, 2001, to pay the costs of the 2001 Commercial Paper Prior Issue Project.

“2003 Prior Issue Project” means capital expenditures for improvements to the water distribution system and the wastewater collection, treatment and disposal system legal title to which is held by the District of Columbia and which is operated by the Issuer.

“2003 Prior Issue” means the Issuer’s Public Utility Subordinated Lien Revenue Bonds, Series 2003, issued on August 12, 2003, to (A) currently refund the 2001 Commercial Paper Prior Issue, (B) pay costs of the 2003 Prior Issue Project, and (C) pay the premium for a bond insurance policy.

“2004 Prior Issue Project” means capital expenditures for improvements to the water distribution system and the wastewater collection, treatment and disposal system legal title to which is held by the District of Columbia and which is operated by the Issuer.

“2004 Prior Issue” means the Issuer’s Public Utility Subordinated Lien Revenue Bonds, Series 2004 (Auction Rate Securities), issued on August 3, 2004, to (A) currently refund the 2001 Commercial Paper Prior Issue, (B) pay costs of the 2004 Prior Issue Project, and (C) pay the premium for a bond insurance policy.

“2007 Commercial Paper Prior Issue Project” means the acquisition, construction and equipping of certain portions of the System.

“2007 Commercial Paper Prior Issue” means, together, the 2007A Commercial Paper Prior Issue and the 2007B Commercial Paper Prior Issue, which collectively constituted a single issue of obligations for federal income tax purposes.

“2007A Commercial Paper Prior Issue” means the Issuer’s Commercial Paper Notes, Series A, issued on April 12, 2007, to pay costs of the 2007 Commercial Paper Prior Issue Project.

“2007A Prior Issue Project” means improvements to the water distribution and wastewater collection, treatment and disposal systems of the Issuer.

“2007A Prior Issue” means the Issuer’s Public Utility Subordinated Lien Revenue Bonds, Series 2007A, issued on June 6, 2007, to (A) currently refund the 2007 Commercial Paper Prior Issue, (B) pay costs of the 2007A Prior Issue Project, (C) pay the premium for a bond insurance policy, and (D) pay Issuance Costs.

“2007B Commercial Paper Prior Issue” means the Issuer’s Commercial Paper Notes, Series B, issued on April 12, 2007, to pay costs of the 2007 Commercial Paper Prior Issue Project.

“2007B Prior Issue Project” means the financing of certain Costs of the System, including specifically costs of improvements to the Washington Aqueduct that the Authority is contractually obligated to pay.

“2007B Prior Issue” means the Issuer’s Public Utility Subordinated Lien Taxable Revenue Bonds, Series 2007B (Auction Rate Securities), issued on June 6, 2007, to pay the costs of the 2007B Prior Issue Project.

“2008A Prior Issue” means the Issuer’s Public Utility Subordinated Lien Revenue Refunding Bonds, Series 2008A, issued on April 24, 2008, to (A) currently refund the 2004 Prior Issue and a portion of the 2007B Prior Issue and (B) pay Issuance Costs.

“2008A Taxable Commercial Paper Prior Issue” means the Issuer’s Taxable Commercial Paper Notes, Series A, issued on October 29, 2008, to currently refund the outstanding portion of the 2007B Prior Issue.

“2008B Commercial Paper Prior Issue Project” means the acquisition, construction and equipping of certain portions of the System.

“2008B Commercial Paper Prior Issue” means the Issuer’s Commercial Paper Notes, Series B, issued on October 29, 2008, to pay costs of the 2008B Commercial Paper Prior Issue Project.

“2009A Prior Issue Project” means improvements to the water distribution and wastewater collection, treatment and disposal systems of the Issuer.

“2009A Prior Issue” means the Issuer’s Public Utility Senior Lien Revenue Bonds, Series 2009A, issued on February 12, 2009, to (A) currently refund the 2008A Taxable Commercial Paper Prior Issue and the 200B Commercial Paper Prior Issue, (B) pay costs of the 2009A Prior Issue Project, and (C) pay Issuance Costs.

“2011 Commercial Paper Issue” means the Issuer’s Commercial Paper Notes, Series B, the Issuance Date of which was September 27, 2011, and which were issued to pay costs of the 2011/2015 Commercial Paper Prior Issue Project.

“2011/2015 Commercial Paper Prior Issue Project” means the costs of the capital improvements to the System pursuant to the Issuer’s Capital Improvement Program.

“2012B-1 Prior Issue Project” means a portion of the costs of (A) capital improvements to the System pursuant to the Issuer’s Capital Improvement Program and (B) the digester project, which involved the design and installation of a thermal hydrolysis solids digestion process.

“2012B-1 Prior Issue” means the Issuer’s Public Utility Subordinate Lien Multimodal Revenue Bonds, Subseries 2012B-1, issued on March 22, 2012, to (A) advance refund a portion of the 2003 Prior Issue, (B) pay costs of the 2012B-1 Prior Issue Project, and (C) pay Issuance Costs.

“2013A Prior Issue Project” means the costs of the capital improvements to the System pursuant to the Issuer’s Capital Improvement Program.

“2013A Prior Issue” means the Issuer’s Public Utility Subordinate Lien Revenue Bonds, Series 2013A, issued on August 1, 2013 to pay costs of the 2013A Prior Issue Project.

“2014C Prior Issue Project” means (i) advance refunding the Authority’s 2007A Prior Issue, 2008A Prior Issue, and 2009A Prior Issue, and current refunding the Authority’s 2012B-1 Prior Issue, and (ii) pay costs of issuing the 2014C Prior Issue.

“2014C Prior Issue” means the Issuer’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2014C, issued on November 20, 2014 to pay the costs of the 2014C Prior Issue Project.

“2015 Commercial Paper Issue” means the Issuer’s Commercial Paper Notes, Series B, the Issuance Date of which was August 26, 2015, issued to pay costs of the 2011/2015 Commercial Paper Prior Issue Project.

“2015A/B Prior Issue Project” means (i) the capital improvements to the System pursuant to the Issuer's Capital Improvement Program (ii) currently refunding the 2011 Commercial Paper Issue and the 2015 Commercial Paper Issue, and (iii) paying issuance costs.

“2015A/B Prior Issue” means the Issuer’s Public Utility Subordinate Lien Revenue Bonds, Series 2015A (Green Bonds) and Public Utility Subordinate Lien Revenue Bonds, Series 2015B issued on October 15, 2015 to pay costs of the 2015A/B Prior Issue Project.

“2016A Prior Issue Project” means (i) advance refunding the Authority’s 2007A Prior Issue, 2008A Prior Issue, and 2009A Prior Issue and (ii) paying costs of issuing the 2016A Prior Issue.

“2016A Prior Issue” means the Issuer’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2016A, issued on February 24, 2016 to pay costs of the 2016A Prior Issue Project.

“2017B Prior Issue Project” costs of the capital improvements to the System pursuant to the Issuer's Capital Improvement Program.

“2017B Prior Issue” means the Issuer’s Public Utility Senior Lien Revenue Bonds, Series 2017B, issued on February 23, 2017 to pay costs of the 2017B Prior Issue Project.

“2018 Prior Issue Project” means the improvements to the water distribution and wastewater collection, treatment and disposal systems of the Issuer.

“2018 Prior Issue” means the Issuer’s Commercial Paper Notes, Series B, the Issuance Date of which was March 7, 2018, which was issued to pay costs of the 2018 Prior Issue Project.

“2018A/B Prior Issue Project” means (i) the capital improvements to the System pursuant to the Issuer's Capital Improvement Program and (ii) the current refunding of the 2018 Prior Issue.

“2018A/B Prior Issue” means the Issuer’s Public Utility Senior Lien Revenue Bonds, Series 2018A (Green Bonds) and Public Utility Senior Lien Revenue Bonds, Series 2018B issued on April 30, 2018 to pay costs of the 2018A/B Prior Issue Project.

“2019D Prior Issue Project” means refunding a portion of the 2013A Prior Issue, which refunding has been completed prior to the date hereof.

“2019D Prior Issue” means the Issuer’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable), which were issued to pay costs of the 2019D Prior Issue Project.

“2022D Prior Issue Project” means advance refunding certain maturities of the 2014C Prior Issue, which refunding has been completed prior to the date hereof. See 2.80(B).

“2022D Prior Issue” means the Issuer’s Public Utility Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2022D (Federally Taxable), issued on March 23, 2022 to pay costs of the 2022D Prior Issue Project.

“Bond Fund” means, together, the portion of the Series 2024A Subordinate Bonds Principal Subaccount and the Series 2024A Subordinate Bonds Interest Subaccount, each established pursuant to the Indenture, that is properly allocable to the Issue.

“Current Refunded 2014C Bonds” means that portion of the 2014C Prior Issue maturing in the years 2025 through 2034 and 2041, in the principal amount of \$153,310,000.

“Current Refunded 2015A Bonds” means that portion of the 2015A Prior Issue maturing in the year 2044, in the principal amount of \$8,550,000.

“Current Refunded 2015B Bonds” means that portion of the 2015B Prior Issue maturing in the years 2029, 2030, 2032, 2034 through 2037, 2040 and 2044 in the principal amount of \$113,890,000.

“Current Refunded 2016A Bonds” means that portion of the 2016A Prior Issue maturing in the years 2031 through 2037 and 2039 in the principal amount of \$115,715,000.

“Current Refunded 2017B Bonds” means that portion of the 2017B Prior Issue maturing in the years 2033 through 2040 in the principal amount of \$64,800,000.

“Current Refunded 2018A Bonds” means that portion of the 2018A Prior Issue maturing in the years 2037 through 2039 in the principal amount of \$20,535,000.

“Current Refunded 2018B Bonds” means that portion of the 2018B Prior Issue maturing in the years 2034 through 2036 and 2043 in the principal amount of \$15,405,000.

“Current Refunded 2019D Bonds” means that portion of the 2019D Prior Issue maturing in the years 2025 through 2029, 2031, 2039 and 2048, in the principal amount of \$54,465,000.

“Current Refunded 2022D Bonds” means that portion of the 2022D Prior Issue maturing in the years 2026 through 2033, 2035 and 2044, in the principal amount of \$30,875,000.

“Current Refunded Bonds” or **“Refunded Bonds”** means, together, the Current Refunded 2014C Bonds, Current Refunded 2015A Bonds, Current Refunded 2015B Bonds, Current Refunded 2016A Bonds, Current Refunded 2017B Bonds, Current Refunded 2018A Bonds, Current Refunded 2018B Bonds, Current Refunded 2019D Bonds and Current Refunded 2022D Bonds.

“Financial Advisor” means PFM Financial Advisors LLC.

“Instructions” means the Rebate Instructions attached hereto as Attachment C-2.

“Prior Issues” means, collectively, the 2001 Commercial Paper Prior Issue, 2001A Commercial Paper Prior Issue, 2001B Commercial Paper Prior Issue, the 2003 Prior Issue, the 2004 Prior Issue, the 2007 Commercial Paper Prior Issue, 2007A Commercial Paper Prior Issue, the 2007A Prior Issue, the 2007B Prior Issue, 2007B Commercial Paper Prior Issue, the 2008A Prior Issue, the 2008A Taxable Commercial Paper Prior Issue, the 2008B Commercial Paper Prior Issue, the 2009A Prior Issue, the 2011 Commercial Paper Prior Issue, the 2012B-1 Prior Issue, 2013A Prior Issue, the 2014C Prior Issue, the 2015 Commercial Paper Prior Issue, the 2015A/B Prior Issue, the 2016A Prior Issue, 2017B Prior Issue, 2018 Prior Issue, 2018A/B Prior Issue, 2019D Prior Issue and 2022D Prior Issue.

“Prior Issue Projects” means, collectively, the 2001 Commercial Paper Prior Issue Project, 2001A Commercial Paper Prior Issue Project, 2001B Commercial Paper Prior Issue Project, the 2003 Prior Issue Project, the 2004 Prior Issue Project, the 2007 Commercial Paper Prior Issue Project, 2007A Commercial Paper Prior Issue Project, the 2007A Prior Issue Project, the 2007B Prior Issue Project, 2007B Commercial Paper Prior Issue Project, the 2008A Prior Issue Project, the 2008A Taxable Commercial Paper Prior Issue Project, the 2008B Commercial Paper Prior Issue Project, the 2009A Prior Issue Project, the 2011 Commercial Paper Prior Issue Project, the 2012B-1 Prior Issue Project, 2013A Prior Issue Project, the 2014C Prior Issue Project, the 2015 Commercial Paper Prior Issue Project, the 2015A/B Prior Issue Project, the 2016A Prior Issue Project, 2017B Prior Issue Project, 2018 Prior Issue Project, 2018A/B Prior Issue Project, 2019D Prior Issue Project and 2022D Prior Issue Project.

“Project” means, collectively, the Prior Issue Projects.

“System” means all of the property and assets of the water distribution system and the wastewater collection, treatment and disposal system operated by the Issuer, title to which is held by the District of Columbia Government.

“Underwriter” means, collectively, Morgan Stanley & Co. LLC, Academy Securities, Inc., Blaylock Van, LLC, Stern Brothers & Co., Stifel, Nicolaus & Company, Incorporated and TD Securities (USA) LLC.

Reference to a Section means a section of the Code. Reference by number only (for example, “2.10”) means that numbered paragraph of this Certificate. Reference to an Attachment means an attachment to this Certificate.

II. ISSUE DATA

2.10 **Issuer.** The Issuer is a Governmental Unit.

2.20 **Purpose of Issue.** The Issue is being issued to provide funds to (A) currently refund the Current Refunded Bonds and (B) pay Issuance Costs.

2.30 **Dates.** The Sale Date is July 10, 2024, and the Issuance Date is July 30, 2024. The final maturity date of the Issue is October 1, 2044.

2.40 **Issue Price.** The Issue Price is set forth in Attachment B and is computed as follows:

Par amount	\$506,360,000.00
Net original issue premium or (discount)	67,581,800.85
Pre-Issuance Accrued Interest	0.00
Issue Price	<u>\$573,941,800.85</u>

2.50 **Sale Proceeds, Net Proceeds and Net Sale Proceeds.** The Sale Proceeds, Net Proceeds and Net Sale Proceeds are as follows:

Issue Price	\$573,941,800.85
Pre-Issuance Accrued Interest	<u>(0.00)</u>
Sale Proceeds	\$573,941,800.85
Deposit to Reserve Fund	<u>(0.00)</u>
Net Proceeds	\$573,941,800.85
Minor Portion	<u>(100,000.00)</u>
Net Sale Proceeds	<u>\$573,841,800.85</u>

2.60 **Disposition of Sale Proceeds and Pre-Issuance Accrued Interest.** There is no Pre-Issuance Accrued Interest. The Sale Proceeds will be applied as follows:

To retire the Current Refunded Bonds	\$570,237,691.28
To pay Underwriter's discount	1,755,612.40
To pay other Issuance Costs	<u>1,948,497.17</u>
Total Sale Proceeds	<u>\$573,941,800.85</u>

2.70 **Higher Yielding Investments.** Gross Proceeds will not be invested in Higher Yielding Investments except for (A) those Gross Proceeds identified in 3.10, 3.20, and

3.30, but only during the applicable Temporary Periods there described for those Gross Proceeds, and (B) the Minor Portion to the extent provided in 3.80.

2.80 **Single Issue; Multipurpose Issue Allocation – 2022D Prior Issue.**

(A) **Single Issue.** All of the obligations of the Issue were sold on the Sale Date pursuant to the same plan of financing and are expected to be paid from substantially the same source of funds. Whether obligations are expected to be paid from substantially the same source of funds is determined without regard to guarantees from a person who is not a Related Party to the Issuer. Accordingly, all of the obligations of the Issue constitute a single “issue” for federal income tax purposes. No obligations, other than those comprising the Issue, have been or will be sold less than 15 days before or after the Sale Date that are expected to be paid from substantially the same source of funds as the Issue. Accordingly, no obligations other than those comprising the Issue are a part of a single issue with the Issue.

(B) **Multipurpose Issue – 2022 Prior Issue.** The 2022 Prior Issue is a Multipurpose Issue, consisting of the Advance Refunding Portion and the New Money Portion. No allocations of bonds of the 2022 Prior Issue to the separate governmental purposes thereof for federal income tax purposes have been made before the date hereof. The allocation of bonds of the 2022 Prior Issue to the Advance Refunding Portion and the New Money Portion as set forth in the final pricing schedules prepared by the Financial Advisor for the 2022 Prior Issue, attached as Attachment E, comply with the special allocation provisions for refunding issues set forth in Regulations § 1.148-9(h)(4)(v)(B), *i.e.*, the Debt Service on such bonds of the 2022 Prior Issue is in each Bond Year for the 2022 Prior Issue less than the Debt Service on the bonds of the 2014C Prior Issue that were advance refunded by such bonds of the 2022 Prior Issue. The Issuer hereby elects that the bonds of the 2022 Prior Issue denominated as the Advance Refunding Portion and the New Money Portion, respectively, in the final pricing schedules prepared by the Financial Advisor for the 2022 Prior Issue constitute such portions for tax purposes. Accordingly, the Current Refunded 2022D Bonds are allocable for federal tax purposes solely to the Advance Refunding Portion of the 2022 Prior Issue, and no bonds allocable to the New Money Portion of the 2022 Prior Issue for federal income tax purposes are part of the Current Refunded 2022D Bonds.

III. **ARBITRAGE (NONREBATE) MATTERS**

3.10 **Use of Sale Proceeds and Pre-Issuance Accrued Interest; Temporary Periods.**

(A) **Pre-Issuance Accrued Interest.** There is no Pre-Issuance Accrued Interest.

(B) **Underwriter’s Discount, Issuance Costs, Bond Fund Deposit, and Bond Insurance.** As compensation for its services in marketing the Issue to the public, the Underwriter will retain Sale Proceeds in the amount of \$1,755,612.40 from the Issue Price otherwise paid by the Underwriter to the Issuer to purchase the Issue. Sale Proceeds in the amount of \$1,948,497.17 will be used to pay other Issuance Costs within 13 months from the Issuance Date, such period being the Temporary Period for that amount.

(C) **Refunding of Current Refunded Bonds.**

(1) Sale Proceeds in the amount of \$417,276,124.45 will be used on July 30, 2024, to retire all of the Current Refunded Bonds, except for the Current Refunded 2014C Bonds, and Sale Proceeds in the amount of \$152,961,566.83 will be used on October 28, 2024 to retire the Current Refunded 2014C Bonds, the period prior to such use being the Temporary Period for those Sale Proceeds. The foregoing Sale Proceeds will be used along with Replacement Proceeds of the Prior Issues properly allocable to the Current Refunded Bonds, as described in 3.10(C)(3), to retire the Current Refunded Bonds.

(2) All Proceeds of the Prior Issues properly allocable to the Current Refunded Bonds have been spent prior to the date on which Proceeds of the Current Refunding Portion are used to pay principal on the Current Refunded Bonds. Accordingly, there will be no Transferred Proceeds of the Current Refunding Portion.

(3) Replacement Proceeds of the Prior Issues properly allocable to the Current Refunded Bonds on deposit in the respective debt service funds for the Prior Issue will be used on respective dates set forth in 3.10(C)(1) to pay a portion of the Debt Service on the Current Refunded Bonds and may be invested in Higher Yielding Investments with respect to the Issue or the applicable Prior Issue until so used.

3.20 Investment Proceeds. Any Investment Proceeds will be used to pay Debt Service or for other governmental purposes of the Issuer within one year after the receipt of those Investment Proceeds, such period being the Temporary Period applicable to those Investment Proceeds.

3.30 Bond Fund. The Bond Fund is a Bona Fide Debt Service Fund. Amounts deposited from time to time in the Bond Fund will be used to pay Debt Service within 13 months after the amounts are so deposited, such period being the Temporary Period for such amounts.

3.40 No Other Replacement Fund or Assured Available Funds. The Issuer has not established and does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay Debt Service other than the Bond Fund. Except for money referred to in 3.30 and Proceeds of a Refunding Issue, if any, no other money or Investment Property is or will be pledged as collateral or used for the payment of Debt Service (or for the reimbursement of any others who may provide money to pay that Debt Service), or is or will be restricted, dedicated, encumbered or set aside in any way as to afford the holders of the Issue reasonable assurance of the availability of such money or Investment Property to pay Debt Service.

3.50 Hedge Contracts. The Issuer has not entered into, and does not reasonably expect to enter into, any Hedge with respect to the Issue, or any portion thereof. The Issuer acknowledges that entering into a Hedge with respect to the Issue, or any portion thereof,

may change the Yield and that bond counsel should be contacted prior to entering into any Hedge with respect to the Issue in order to determine whether payments/receipts pursuant to the Hedge are to be taken into account in computing the Yield on the Issue.

3.60 **No Overissuance.** The Proceeds are not reasonably expected to exceed the amount needed for the governmental purposes of the Issue as set forth in 2.20.

3.70 **Other Uses of Proceeds Negated.**

(A) Except as stated otherwise in this Certificate, none of the Proceeds will be used:

(1) to pay principal of or interest on, refund, renew, roll over, retire, or replace any other obligations issued by or on behalf of the Issuer or any other Governmental Unit,

(2) to replace any Proceeds of another issue that were not expended on the project for which such other issue was issued,

(3) to replace any money that was or will be used directly or indirectly to acquire Higher Yielding Investments,

(4) to make a loan to any person or other Governmental Unit,

(5) to pay any Working Capital Expenditures other than expenditures identified in Regulations § 1.148-6(d)(3)(ii)(A) and (B), or

(6) to reimburse any expenditures made prior to the Issuance Date that do not satisfy the requirements for a Reimbursement Allocation.

(B) No portion of the Issue is being issued solely for the purpose of investing Proceeds in Higher Yielding Investments.

3.80 **Minor Portion.** The Minor Portion of \$100,000.00 may be invested in Higher Yielding Investments.

3.90 **No Other Replacement Proceeds.** That portion of the Issue that is to be used to refinance Capital Expenditures has a weighted average maturity that does not exceed 120% of the weighted average reasonably expected economic life of the property resulting from such Capital Expenditures.

3.95 **Written Procedures to Monitor the Requirements of Section 148.** The procedures set forth in Attachments C-1 (Arbitrage Compliance Checklist) and C-2 (Rebate Instructions) constitute the Issuer's written procedures to monitor compliance with the arbitrage Yield restriction and rebate requirements of Section 148.

IV. REBATE MATTERS

4.10 **Issuer Obligation Regarding Rebate.** In accordance with its covenants contained in the Indenture, the Issuer will calculate and make, or cause to be calculated and made, payments of the Rebate Amount in the amounts and at the times and in the manner provided in Section 148(f) and the Instructions with respect to Gross Proceeds to the extent not exempted under Section 148(f)(4) and the Instructions.

4.20 **No Avoidance of Rebate Amount.** No amounts that are required to be paid to the United States will be used to make any payment to a party other than the United States through a transaction or a series of transactions that reduces the amount earned on any Investment Property or that results in a smaller profit or a larger loss on any Investment Property than would have resulted in an arm's length transaction in which the Yield on the Issue was not relevant to either party to the transaction.

4.30 **Exceptions.** Notwithstanding the foregoing, the computations and payments of amounts to the United States referred to in IV. need not be made to the extent that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Issue, based on an Opinion of Bond Counsel.

V. OTHER TAX MATTERS

5.10 **Not Private Activity Bonds or Pool Bonds.** No bond of the Issue will be a Private Activity Bond or a pooled financing bond (within the meaning of Section 149(f)), based on the following:

(A) Not more than 5% of the Proceeds, if any, directly or indirectly, will be used for a Private Business Use and not more than 5%, if any, of the Debt Service, directly or indirectly, will be secured by or derived from Private Security or Payments. In measuring the use of Proceeds for a Private Business Use and the amount of Private Security or Payments, the use of Proceeds of all Prior Issues and the amount of Private Security or Payments with respect to all Prior Issues are taken into account in accordance with Regulations § 1.141-13.

(B) Less than 5% or \$5,000,000, whichever is less, of the Proceeds, if any, will be used to make or finance loans to any Private Person or Governmental Unit other than the Issuer.

(C) The lesser of the Proceeds that are being or will be used for any Private Business Use or the Proceeds with respect to which there are or will be Private Security or Payments does not exceed \$15,000,000 and none of the Proceeds will be used with respect to an "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4).

5.20 **Disposition of Property.** The Issuer does not intend to sell or otherwise dispose of the Prior Issue Projects or any portion thereof during the term of the Issue except for dispositions of property in the normal course at the end of such property's useful life to the Issuer. With respect to tangible personal property, if any, that is part of the Prior Issue Projects refinanced by the Issue, the Issuer reasonably expects that:

(A) Dispositions of such tangible personal property, if any, will be in the ordinary course of an established governmental program;

(B) The weighted average maturity of the bonds of the Issue refinancing such property (treating the bonds of the Issue properly allocable to such personal property as a separate issue for this purpose) will not be greater than 120% of the reasonably expected actual use of such property for governmental purposes;

(C) The fair market value of such property on the date of disposition will not be greater than 25% of its cost;

(D) The property will no longer be suitable for its governmental purposes on the date of disposition; and

(E) The amounts received from any disposition of such property are required to, and will, be deposited in a commingled fund in accordance with the Indenture.

5.30 Reserved.

5.40 Issue Not Federally Guaranteed. The Issue is not Federally Guaranteed.

5.50 Not Hedge Bonds. It was reasonably expected on the respective Issuance Dates of each of the Prior Issues that not less than 85% of the Spendable Proceeds of the respective Prior Issue (other than such Spendable Proceeds used or to be used to pay Debt Service on another issue), as applicable, would be used, and such amounts were used, to carry out the governmental purposes of such Prior Issue within three years from the respective Issuance Date thereof. Not more than 50%, if any, of the Proceeds of each of the Prior Issues (other than such Proceeds used or to be used to pay Debt Service on another issue) was invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more, including but not limited to any investment contract or fixed-Yield investment having a maturity of four years or more. The reasonable expectations stated above were not and are not based on and do not take into account (A) any expectations or assumptions as to the occurrence of changes in market interest rates or changes of federal tax law or regulations or rulings thereunder or (B) any prepayments of items other than items that are customarily prepaid.

5.60 Internal Revenue Service Information Return. Within the time and on the form prescribed by the Internal Revenue Service under Section 149(e), the Issuer will file with the Internal Revenue Service an information return setting forth the required information relating to the Issue. The information reported on that information return will be true, correct and complete to the best of the knowledge and belief of the undersigned.

5.70 Written Procedures to Remediate Nonqualified Bonds. The Issuer acknowledges and establishes the Use of Proceeds Checklist and Remedial Action Instructions set forth in Attachment C-3 as its written procedures to ensure that all “nonqualified bonds” (as defined therein) are remediated in accordance with Regulations § 1.141-12. The Issuer will monitor the expenditure of Gross Proceeds and the use of facilities financed by the Issue, and will undertake, if necessary, any available measures under Regulations § 1.141-12 to ensure compliance after the Issuance Date with the applicable covenants contained in V.

5.80 **Recordkeeping.** The Issuer will maintain records to support the representations, certifications and expectations set forth in this Tax Compliance Certificate until the date three (3) years after the last bond of the Issue has been retired, and if any portion of the Issue is refunded by a Refunding Issue, the Issuer will maintain all records listed hereunder until the later of the date three (3) years after the last bond of the Issue has been retired or the date three (3) years after the last bond of the Refunding Issue has been retired. The records to be retained include, but are not limited to:

(A) Basic records and documents relating to the Issue (including this Tax Compliance Certificate and all Opinions of Bond Counsel relating to the Issue).

(B) Documentation evidencing the timing and allocation of expenditures of Proceeds of the Issue and of all issues refunded directly or indirectly by the Issue.

(C) Documentation evidencing the use of the Project by all persons, including Private Persons (*e.g.*, copies of any management contracts, leases, etc.).

(D) Documentation evidencing all sources of payment and security for the Issue.

(E) Documentation pertaining to all investments of Proceeds (including the purchase and sale of securities, subscriptions for U.S. Treasury Securities – State and Local Government Series, actual investment income received from the investment of Proceeds, Guaranteed Investment Contracts, and rebate and/or Yield Reduction Payment calculations).

(F) Records of all amounts paid to the United States pursuant to 4.10.

(G) Any elections or revocations of elections under the Code relating to the Issue.

5.90 **Tax Covenant.** The Issuer hereby agrees and covenants to do all things necessary to ensure that interest on the Issue shall be, and shall continue to be, excluded from the gross income of the holders thereof for federal income tax purposes.

[Balance of this page intentionally left blank.]

5.100 **Responsibility of Officer.** The officer signing this Certificate is one of the officers of the Issuer responsible for issuing the Issue.

In making the representations in this Certificate, the Issuer relies in part on the representations of the Underwriter set forth in Attachment B and the representations of the Financial Advisor set forth in Attachment D. To the best of the knowledge, information and belief of the undersigned, all expectations stated in this Certificate and in such Attachments are the expectations of the Issuer and are reasonable, all facts stated are true and there are no other existing facts, estimates, or circumstances that would or could materially change the statements made in this Certificate or in such Attachments. The certifications and representations made in this Certificate and in such Attachments are intended to be relied upon as certifications described in Regulations § 1.148-2(b) and may be relied upon by Squire Patton Boggs (US) LLP, as bond counsel, in connection with the rendering of any opinion with respect to the Issue. The Issuer acknowledges that any change in the facts or expectations from those set forth in this Certificate or in such Attachments may result in different requirements or a change in status of the Issue or interest thereon under the Code, and that bond counsel should be contacted if such changes are to occur or have occurred.

The date of this Certificate is July 30, 2024.

**DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY**

By: _____
Chief Financial Officer and Executive Vice
President, Finance Procurement and
Compliance

List of Attachments

Attachment A – Definitions for Tax Compliance Certificate

Attachment B – Underwriter’s Certificate

Attachment C-1 – Arbitrage Compliance Checklist

Attachment C-2 – Rebate Instructions

Attachment C-3 – Use of Proceeds Checklist and Remedial Action Instructions

Attachment D – Financial Advisor’s Certificate