

**Government of the District of Columbia
Office of the Chief Financial Officer**

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: APR 14 2008

SUBJECT: Fiscal Impact Statement: "District of Columbia Water and Sewer Authority Plan for Public Fire Hydrant Maintenance and the Provision of Adequate Water Levels to District Hydrants Approval Resolution of 2008"

REFERENCE: Proposed Resolution 17-697 – Committee Print dated April 11, 2008

Conclusion

Assuming that the District of Columbia Water and Sewer Authority (WASA) meets its expenditure obligations under the signed Memorandum of Understanding (MOU), funds are sufficient in the FY 2008 budget and the Mayor's proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed resolution. The District's share of the cost of implementing the proposed resolution will be absorbed in FY 2008 with existing Fire and Emergency Medical Services (FEMS) resources, and the Mayor's proposed FY 2009 budget includes a policy initiative which would direct \$604,000 and 7 FTE's towards implementing DC's share of the MOU. Sufficient funding would be required to remain in the FEMS budget in the out-years to cover the District's expenditure obligation under the MOU. WASA is expected to cover their half of the agreement, which includes an annual expenditure obligation--\$488,654.50 in FY 2008--and the provision of sufficient capital equipment for FEMS to conduct the required inspections.

Background

The proposed resolution would approve the plan, submitted to Council by the Board of the District of Columbia Water and Sewer Authority (WASA) on January 29, 2008, to regularly inspect, repair, and maintain all public fire hydrants. The Plan is comprised of: 1) an MOU

between WASA and FEMS, signed October 25, 2007, and 2) a report requested by WASA entitled "Evaluation of Small Diameter Water Mains—Fire Flow Analysis," dated November 15, 2007. The Plan includes recommendations on the frequency of individual hydrant inspections, the provision of adequate water pressure levels to all locations in the District, and the use of National Fire Protection Association Standards to color code fire hydrants with dual reflective bands based on water volume. Under the signed MOU, FEMS is required to inspect all public and private fire hydrants in the District twice per year between March 1st and December 1st, with the first year of inspections required to be completed by the beginning of December, 2008.

Section 3.09 of the MOU states that "based on the submission of an annual budget and a record of auditable expenditures by Fire and EMS, WASA shall pay half the personnel operating costs for Fire and EMS to conduct the inspections." Section 6 of the MOU provides the cost ceiling for services under the MOU shall not be above the amount listed in "Attachment A" of the MOU--\$977,308.64 in FY 2008—and provides that thirty (30) days prior to the end of each fiscal year, FEMS will provide an updated Attachment A with their estimated costs for the coming fiscal year to WASA. In addition, the MOU provides that WASA will be responsible for acquiring "reasonable capital equipment" required by FEMS to support the inspection program and loan it to FEMS on a permanent basis for the life of the program.

Financial Plan Impact

Assuming that WASA meets its expenditure obligations under the MOU, funds are sufficient in the FY 2008 budget and the Mayor's proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed resolution. The District's share of the cost of implementing the proposed resolution will be absorbed in FY 2008 with existing FEMS resources, and the Mayor's proposed FY 2009 budget includes a policy initiative which would direct \$604,000 and 7 FTE's towards implementing DC's share of the MOU. Sufficient funding would be required to remain in the FEMS budget in the out-years to cover the District's expenditure obligation under the MOU. WASA is expected to cover their half of the agreement, which includes an expenditure obligation in FY 2008 (\$488,654.50) and in the out-years, and the provision of sufficient capital equipment for FEMS to conduct the required inspections.