

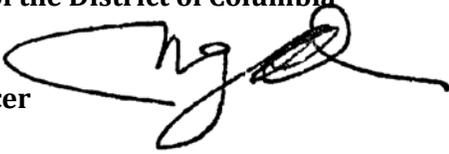
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** April 13, 2012

**SUBJECT:** Fiscal Impact Statement – “IMA Approval Resolution of 2012”

**REFERENCE:** Draft public resolution shared with the Office of Revenue Analysis on  
April 6, 2012

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**Conclusion**

Funds are sufficient in the FY 2012 budget and the proposed FY2013 through FY 2016 budget and financial plan to implement the resolution.

**Background**

Blue Plains Wastewater Treatment Plant is responsible for treating raw sewage from Washington, DC and neighboring jurisdictions in Maryland and Virginia. Blue Plains provides sewer service for almost all major federal facilities in the Washington region. The facility, including the real property, appurtenances, and fixtures, is owned by the District, and is operated by DC Water (formerly DC Water and Sewer Authority, or WASA), an independent instrumentality of the District.<sup>1</sup>

In 1985, the District of Columbia entered into the Blue Plains Intermunicipal Agreement (IMA) with Fairfax County, VA, Montgomery County, MD, Prince George’s County, MD, and the Washington Suburban Sanitary Commission (WSSC). The IMA governs the collection and treatment of wastewater, the allocation of flow capacity to IMA parties, and the allocation of costs to support Blue Plains and other multi-jurisdiction use facilities utilized by the signatories.

The 2012 IMA revises the wastewater treatment capacity flows and peak capacity flows for each party, reaffirms capital, operations and maintenance, and other cost allocations to the parties, and provides flexibility, as needed, for the expansion of wastewater treatment facilities and other necessary changes to the agreement in the future. The 2012 IMA focuses the following seven components:

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<sup>1</sup> D.C. Official Code § 34-2201.01 *et seq.*

1. Allocating the wastewater treatment capacity of Blue Plains and other associated facilities and related peak flows for the collection system;
2. Equitably allocating the capital costs of wastewater treatment and biosolids management;
3. Equitably allocating operations and maintenance costs;
4. Defining the responsibilities of pretreatment and operational requirements and biosolids management;
5. Defining the process of making future wastewater capacity planning decisions, including addressing load allocations;
6. Providing a mechanism for continuing coordination, cooperation, and communication; and
7. Providing environmental stewardship.

The proposed resolution approves the 2012 IMA.

It is important to note that the Mayor's authority to execute the IMA would be effective only after the Congressional legislation described in Section 5 of the proposed resolution becomes law, as its various features are not compliant with the Home Rule Act<sup>2</sup> and federal and District anti-deficiency laws.<sup>3</sup>

### **Financial Plan Impact**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the resolution. The District's Blue Plains Intermunicipal Agreement obligations are funded through billings to District ratepayers. Therefore the IMA does not have an impact on the District's budget and financial plan.

In addition to the IMA for the Blue Plains facility, the District has entered into multiple agreements with DC Water over the years regarding DC Water's compensation for the cost of water and sewer services it provides to District agencies, the District's compensation for services (such as public safety, and administrative, legal and financial services) it provides to DC Water, DC Water's payments of annual public space right of way occupancy fees, and payments regarding maintenance of fire hydrants. The IMA is unrelated to these agreements, and its approval would not have an effect on any of these agreements.

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<sup>2</sup> Public Law 93-198, D.C. Official Code § 1-204.87(b).

<sup>3</sup> 31 U.S.C.A § 1341 (2000); D.C. Official Code § 47.355.01 *et seq.* (2003).