

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi [signature]  
Chief Financial Officer

**DATE:** July 12, 2004

**SUBJECT:** Fiscal Impact Statement: "Multiple Dwelling Water Lead Level Test Emergency Act of 2004"

**REFERENCE:** Bill Number 15-906 as Introduced

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**Conclusion**

Funds are not sufficient in the FY 2005 through FY 2008 budget and financial plan as approved by the Mayor and the Council of the District of Columbia. **Additional staff and resources will be required to implement the provisions of the proposed legislation. Implementing the proposed legislation will result in unbudgeted costs of \$472,000 in FY 2005 and \$1.8 million in FY 2005 through FY 2008.**

**Background**

The proposed legislation requires the owners of multiple residential dwellings to place an order for a water lead level test kit, have the occupant collect the required sample of tap water, submit the sample for testing by the Water and Sewer Authority (WASA) at the written request of any tenant, then post the findings.

The owner is required to comply to the required test submission within 15 days of a tenant's written request. WASA is to transmit the test results report to the owner and any other tenant/occupant who requests it. WASA shall send a written notice to the Mayor that it has sent the water lead level test kit. The bill states that the necessary per dwelling/unit frequency for testing and reporting is six months. In addition, the test results report is to be posted by the property owner in a conspicuous location on the premises. The proposed legislation establishes fines and penalties for non-compliance.

WASA is required to provide a water lead level testing kit to any multiple residential dwelling owner when the kit is requested. WASA is required to provide the test kits, perform the testing and the reporting at its' expense.

### Financial Plan Impact

Funds are not sufficient in the FY 2005 through FY 2008 budget and financial plan. The Department of Consumer and Regulatory Affairs does not have sufficient resources to monitor the implementation of the proposed legislation. The table in Figure 1 presents the estimated impact to the financial plan.

*Figure 1.*

<b>Expenditure Impact to the Financial Plan</b>					
(\$ in 000s)					
<b>Item</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>4 - Year Total</b>
<b>Personnel Services</b>					
3 staff @ DS 11 or 12	\$176,843	\$183,033	\$189,439	\$196,069	\$745,384
<b>Nonpersonnel Services</b>					
Software Dev, Lic, & Main.	100,000	55,000	57,475	60,061	272,536
Postage & Supplies	100,000	100,000	100,000	100,000	400,000
Outreach	50,000	50,000	50,000	50,000	200,000
Administrative Resources	25,000	25,000	25,000	25,000	100,000
Transportation	20,000	20,000	20,000	20,000	80,000
<b>NPS Subtotal</b>	<b>\$295,000</b>	<b>\$250,000</b>	<b>\$252,475</b>	<b>\$255,061</b>	<b>\$1,052,536</b>
<b>Net Annual Impact</b>	<b>\$471,843</b>	<b>\$433,033</b>	<b>\$441,914</b>	<b>\$451,130</b>	<b>\$1,797,920</b>

The expenditure impact on WASA will likely be passed through to the existing burdens on the regional consumer whether they live in the contaminated areas or not. Additional WASA expenditures will not impact the District's local General Ledger.