



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Governance Committee

Jan. 11, 2012

9:30 a.m.

1. Call to Order Alan Roth, Vice Chair

2. Government Affairs: Update Alan Heymann
Chief, External Affairs
 - New Government Relations Manager

 - DC Council
 - a. Pesticide legislation introduced
 - b. Oversight hearing season

 - Congress
 - a. \$15 million for Clean Rivers in FY 2012; ready for FY 2013

 - Other
 - a. Commission on Fine Arts to discuss warehouse building

3. [2012 Intermunicipal Agreement \(IMA\) Briefing](#) George Hawkins
General Manager
Stuart Freudberg
COG

4. Emerging Issues Chairperson
 - [Amendment to By-Laws/Changing Name of HR and Labor Relations Committee](#)

5. Agenda for Upcoming Committee Meeting (TBD) Chairperson

6. Adjournment Chairperson



Briefing on
2012 IMA

Presented to:

Governance Committee of the
Board Of Directors

Alethia Nancoo , Chairperson

Alan Roth, Vice Chairperson

January 11, 2012

George S. Hawkins, General Manager



2012 IMA

Introduction and Recommendation to the BOD

- Describe Plan for BOD Approval Process
 - DC Water Communication Plan
 - Regional Parties Approval Process
 - DC Water Approval Process
 - “Up or Down” vote: No further Negotiations
 - “Down” says stay with the 1985 IMA
- Recommendation of the 2012 IMA
 - Benefits to the Region and Parties
 - Benefits to DC and DC Water – our unique relationship with DC
 - Downside: None significant recognized
 - Collegial Relationship of Parties
 - Elements of a service provider contract with those DC Water serves and a MOU among sovereign political entities concerning their joint use of the District owned BPAWTP and associated facilities.



2012 IMA

Introduction and Recommendation to the BOD

- Responsibilities, rights, and obligations are all appropriately assigned.
- Introduce Today's Presentation
 - COG's Role and Presentation of 2012 IMA as a Neutral Party
 - DC Water Management: AGM/WWT, CFO, CE Level; Individual areas of responsibility and expertise – each participated in negotiation of the 2012 IMA.



2012 IMA

Section 1. Key Principles

- DC Water Goal: Explicitly define what constitutes “equity” in dealings between the Parties
 - “Equity,” per Webster's, free of bias or favoritism
 - Parties neither make “profit” nor suffer “loss” in dealings among the Parties
- Key Principles are the basis for the Agreement
 - “The IMA and Derivative Agreements shall be governed by and be consistent with these key Principles.”
 - “These Key Principles shall guide any interpretation or dispute resolution process.”



2012 IMA

Section 3. Blue Plains Permit Responsibilities and Treatment Process Requirements

- DC Water Goal:
 1. A clear and unambiguous determination of DC Water's Authority and responsibility to the other Parties concerning the Permit and regulations
 2. A clear and unambiguous determination of the other Parties obligations to accept IMA modifications necessitated by changed Permit/Regulations
- Provide for regional environmental stewardship of the Potomac River Estuary and Anacostia River and Bay restoration
 - Monitor and analyze WQ policies and regulations
 - Seek most cost-effective solutions



2012 IMA

Section 7. Wastewater Projected Flow Capacity Needs & Future Options

- DC Water Goal:
 1. Ensure the District's Wastewater Treatment needs are timely provided for at BPAWTP
 - DC has limited options, i.e., the BPAWTP is 'it.'
 2. Define an engineering process for planning to address projected future wastewater flows and loads originating in the Blue Plains Service Area
 - Thru a jointly managed study of 30 year projections
 - What capacity is needed when
 - A time frame for decisions and provision of needs
 - A structured planning approach
 - Determinate as to cost sharing



2012 IMA

Chief Engineer's Recommendation

- As Chief Engineer of DC Water, and having represented DC Water in negotiation of the 2012 IMA I recommend the 2012 IMA to the BOD as well and equitably serving the interests of DC Water.
 1. Allows highest and best use of the District owned, DC Water operated BPAWTP and associated other wastewater facilities
 2. Provides for all Parties the “best value” of the single most expensive and important environmental protection Facility in the Region
 3. The District's wastewater needs are equitably provided for, as are needs of the other Parties.
 4. DC Water's negotiation goals to provide authority to control plant process flow and loadings, as well as financial and governance stability have been achieved.



2012 IMA

Section 4. Blue Plains Flow Capacity Loads & Peak Flows

Section 6. Flow and Load Measurement and Management

- Blue Plains design flow capacity is allocated among Parties (IMA 4)
- Captured Stormwater Flow from the Combined Sewer System is not part of the allocated flow (IMA 4)
- Requires flow measurement, reporting, assessment and management (IMA 6 & OA 3)
- Parties are required to minimize infiltration and inflow (IMA 6)
- Method developed to evaluate compliance with flow allocation for all hydrologic conditions and requirement to cease new connections if exceeded (IMA 6 & OA 3)
- Peak flows are monitored and limited (IMA 4, OA 1)

Manage Flow to Protect Ability to Meet Permit Requirements

TABLE 4-A

BLUE PLAINS ALLOCATED FLOW CAPACITY	
ENTITIES	ALLOCATIONS (MGD) ¹
District of Columbia	152.50
Non-Party Users:	
Loudoun County Sanitation Authority, Virginia	13.80
Dulles Airport, Virginia	1.50
Town of Vienna, Virginia	1.50
Naval Ship Research & Development Center, Maryland	0.07
National Park Service, Maryland	0.03
Sub-total	16.90
District of Columbia – Total	169.40
WSSC² (for Prince George's County & Montgomery County), Maryland – Total	169.60
Fairfax County, Virginia³ - Total	31.00
Grand Total – Blue Plains Design Capacity	370.00



2012 IMA

Section 4. Blue Plains Flow Capacity Loads & Peak Flows

Section 6. Flow and Load Measurement and Management

- Establishes Plant design load for Flow, TSS, BOD and Nutrients
- Prohibits exceedance of design influent load capacity for Flow, TSS, BOD and nutrients (IMA 4, OA 1, OA 4)
- To comply with the Chesapeake Bay TMDL, requires parties to provide nutrient allocations for their allocated flow – TN 4 mg/L, TP 0.18 mg/L (IMA 4 & OA 1)

Manage Load and Nutrient Allocations to Protect Ability to Meet Regulatory Requirements

Table OA 1-B

BLUE PLAINS DESIGN LOAD CAPACITY FOR INFLUENT FLOWS ¹		
Parameters	Loads (lb/day)	
	Annual Average	Maximum 30-Day Rolling Average
BOD	525,977	694,290
TSS	562,282	747,836
TKN	104,940	137,471
NH ₃	55,390	64,252
TP	14,108	18,340
Associated Maximum Design Flow Capacity – Basis (mgd)		
Flow, Average Year	384	485
Flow, Maximum Year	431	485



2012 IMA

Section 8. Pretreatment & Operational Requirements

- Fairfax and WSSC to comply with EPA and DC Water Pretreatment program requirements
- DC Water must ensure compliance
- Wastewater Coarse Screening is required
- Screenings may not be ground and returned to the flow stream
- Trucked waste must be monitored and controlled to ensure compliance with DC Water requirements
- Treatment plant residuals may not be discharged without specific approval
- Quarterly reporting is required

Manage Plant Influent
Wastewater Characteristics
to Comply with Regulatory
Requirements
(IMA 8 & OA 5)



2012 IMA

Section 9. Biosolids Management Commitments

Improve Management of Biosolids
(IMA 9 & OA 8)

- Collective Interest in sound biosolids management established
- Parties to work together if emergency biosolids management is necessary
- WSSC will contract for management of 30% - 50% of biosolids (OA9)
- DC Water and WSSC will work together to market class A biosolids when available
- Any value derived from biosolids or byproducts (e.g. gas, renewable energy credits) will be used to offset operating costs.



2012 IMA

Assistant General Manager/Wastewater Treatment Recommendation

- As Assistant General Manager for Wastewater Treatment and having represented DC Water in negotiation of the 2012 IMA, I recommend approval of the 2012 IMA
 - It requires management of plant flow and load
 - It supports compliance with the Chesapeake Bay TMDL by requiring nutrient allocations from each party
 - It protects plant processes and effluent quality by requiring pretreatment of all industrial wastewater
 - It supports biosolids best management practices



2012 IMA

Section 5. Financial Responsibility of Parties

- Acknowledges responsibility & general basis for paying shared costs:
 - Capital Costs – based on allocation of 370 mgd
 - Operating & Maintenance (O & M) Costs – based on actual flows
 - User Fee – proportionate to share of 370 mgd
- States responsibility for sharing risks/paying proportionate share of Fines, Penalties & Claims
- Documents current billing and payment procedures, & reconciliations – including those from several existing MOUs
- Recognizes new methods for allocating use & shared costs
- Reflects latest cost differential for how Captured Stormwater Flows should be billed (i.e., now to be adjusted by 49%)



2012 IMA

Chief Financial Officer's Recommendation

- As CFO for DC Water, and having represented DC Water in negotiation of the 2012 IMA I recommend the 2012 IMA as well and equitably serving the interests of DC Water.
 1. Provides the financial resources to support sound, fiscal and sustainable operations
 2. Equitably allocates both capital and operating costs between the IMA partners
 3. Ensures predictability of revenues, by specifying timing and frequency of billing and payments
 4. Provides flexibility to deal with cost allocation changes over time within the principal framework prescribed in the Core Agreement
 5. Provides clarity in the dispute resolution process, by defining an escalation path.
 6. Recognizes certain fees and penalties as shared costs



2012 IMA

Section 2 – Governance

Levels of Authority

- Requires regular forums where technical, policy and financial issues affecting more than one Party can be presented and discussed, and where differences and disputes can be resolved.
- Three (3) levels of authority:
 - 1) Policy level
 - 2) Administrative level
 - 3) Technical level

Authority to Act and General Party Responsibilities

Basis – Authority for action or decision by each member of the three (3) bodies identified herein as levels of governance is pursuant to applicable enabling legislation, charter provisions, or formal policies of each Party.



2012 IMA

Section 2. Governance (cont'd).

- **General Party Responsibilities**

- a) Each Party shall select which of its officials or staff will act on its behalf.
- b) Each Party responsible for notice to its officials, staff or constituents.
- c) Leadership and Regional Committees may allow observers invited by members of those committees to attend their meeting.

Policy Level: IMA Signatures

- Highest level of officials of each Party.
DC Water: Chairman, Board of Directors
- Written Agreement of the Parties, at the Signatory level, is required to revise, amend or terminate the IMA. Unanimous consent required.
- Signatory Review shall constitute the last and highest internal level dispute resolution.



2012 IMA

Administrative Level: IMA Leadership Committee

- Composition: Chief Administrative Officers and Operating Agency General Managers.
- Responsibility: Oversee implementation of the IMA. Convene at least annually.
- Actions by unanimous consent.

Technical level: The IMA Regional Committee

- IMA Regional Committees consists of two (2) members from each Party.
- Created for the purpose of assisting in the interpretation, administration and implementation of the IMA.
- Regional Committee shall provide a forum for in-depth discussion and coordination regarding the wastewater and biosolids technical, policy and financial issues affecting Parties.



2012 IMA

Section 2. Governance (cont'd).

- Resolve issues pertaining to Blue Plains within scope of IMA and Derivative Agreements.
- Make recommendations to Leadership Committee.
- Responsible for implementing the IMA and Derivative Agreements
- Regional Committee – Act by unanimous agreement.
- Meet at least quarterly.
- On behalf of the Leadership Committee, the Regional Committee shall prepare an annual report regarding implementation of the IMA.



2012 IMA

Section 10 Administrative Provisions and Procedures

Duration of Agreement

- The IMA remains in effect until amended, replaced or terminated by mutual consent.



2012 IMA

Dispute Resolution

Informal Resolution

- Regional Committee shall refer the matter to the Leadership Committee for advice, comment or suggested direction, or direct resolution of the matter.

Formal Resolution

- Any Party may initiate the formal dispute resolution process which involves:
 - Written notice to the Regional Committee.
 - Regional Committee addresses or refers it for non-binding arbitration or third party mediation within 30 days.
 - Regional Committee fails to resolve the issue or mediation agreement is not reached, the matter shall be referred to the Leadership Committee, which must address the matter in 30 days. 20



2012 IMA

- Leadership Committee may utilize non-binding arbitration or third-party mediation to assist it in reaching a unanimous decision on the dispute presented.
- Parties seek legal or other resolution only after Leadership Committee fails to resolve issue and the formal dispute resolution process is completed.

Section 11 – Derivative Agreements

- Eliminate need to reopen or renegotiate the terms of the IMA.
- Limited to addressing issues authorized by IMA.
- Three (3) types of Derivative Agreement
 - 1) Operating Agreement
 - 2) Service Agreement
 - 3) Limited Party Agreement



2012 IMA

General Counsel Recommendation

As General Counsel of DC Water and having represented DC Water in negotiation of the 2012 IMA and as a member of IMA Legal Working Group, I recommend the 2012 IMA to the Board of Directors for approval.

- The 2012 IMA is legally sufficient.
- Provides DC Water a formal seat in the governance structure.
- Provides legal stability by delineating responsibilities, duties and fees between the parties.
- Enhanced stability through development of formal dispute resolution process with set action dates.
- Establishes approval process based on unanimous consent.



2012 IMA

General Manager's Recommendation

- As General Manager of DC Water:
 - Having represented DC Water on the Blue Plains Leadership Committee that collectively gave direction to the 2012 IMA Negotiation Team (NT),
 - And given direction to the DC Water representation on the NT in the interest of DC Water
 - And being responsible for the management in all regards of DC Water;



2012 IMA

General Manager's Recommendation

- Based upon:
 - My cognizance of the negotiation of the 2012 IMA;
 - My reading of the 2012 IMA; and,
 - Accepting the recommendation of the General Counsel, Chief Financial Officer, Assistant General Manager of Wastewater Treatment and the Chief Engineer, all Senior managers of DC Water;
- I recommend the 2012 IMA to the BOD as well and equitably serving the interests of DC Water.

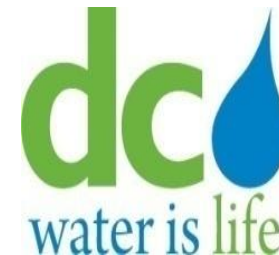
The Blue Plains Intermunicipal Agreement (IMA): The 2012 IMA

*Presentation to
DC Water Governance Committee*

Stuart A. Freudberg

Metropolitan Washington Council of
Governments

January 11, 2012



Today's Briefing

- Why an Intermunicipal Agreement?
 - Refresher on 1985 IMA
 - Rationale for 2012 IMA
- What is the 2012 IMA?
 - Development Process
 - Structure and Major Elements
 - Benefits to the Region
- Review and Approval Process for 2012 IMA

Why an Intermunicipal Agreement?

- It is a contract/regional agreement/commitment of the Parties sharing Blue Plains to:
 - Allocate capacity in Blue Plains & in Potomac Interceptor
 - Define how capital and operating costs will be shared
 - Define financial and operational commitments
 - Define the rights & responsibilities of the Parties
 - Establish commitment to cooperate and coordinate and resolve disputes
 - Address regional implications of Blue Plains (e.g., support regional growth & development, & protect Potomac River/Anacostia/Chesapeake Bay water quality)

What did the 1985 IMA Accomplish?

- **Defined** rights & responsibilities of Parties
- **Provided** cost-effective expansion of Blue Plains (309 to 370 mgd)
 - Ensured EPA grant support
 - Supported & Aided restoration of Potomac River estuary
- **Allocated** capacity for all Parties
 - Ended moratoria on wastewater services
 - Ended chronic sludge (biosolids) disposal crises
 - Confirmed shared regional responsibility for sludge management
 - Identified planned facilities to ensure District always had disposal options
- **Addressed** financial obligations of all Parties
 - Reconciled prior capital investments & defined how costs shared
- **Created** structure that has to date provided 26 years of regional cooperation
 - Established process for cooperative problem solving
 - Facilitated creation of DC Water and Sewer Authority (DC Water)

What's in the 1985 IMA?

1. Definitions
2. Principles shaping the IMA
3. Allocation of Blue Plains' capacity (309, then 370 mgd)
4. Flow management requirements
5. Sludge management operations & responsibilities
6. Allocation of Capital & O&M costs [Blue Plains & Potomac Interceptor (PI)]
7. Process for future capacity planning
8. Mechanisms for coordination
9. Support for regional water quality program
10. Amendment & conference processes

Challenges of Current (1985) IMA

- **Requirements very different from 1985** – Regulatory & program changes
 - Original capacity allocations were defined only through 2010
 - No mechanism to address nutrient loads/Bay TMDL requirements
 - CSO LTCP/Clean Rivers program not anticipated
 - Biosolids management has a very different approach
- **Showing its age** - Strong/important in key areas but much is outdated
 - Lacks references/links to DC Water
 - ~40% of text is out-of-date/not applicable; 5 core sections need updating (new data & information, new permits & regulations, and new planning assumptions)
 - Lacks technically based procedures for allocating costs
 - Lacks clear process for handling disputes in a timely manner
- **Not a living document** – Lack flexibility to make limited changes/updates
 - Lacks effective process to respond to new technical/process needs in a timely manner
 - Has uneven mix of elements that can/cannot be modified vs. amending IMA
 - As a result, several existing/parallel MOUs exist (i.e., signed 'outside' of 1985 IMA)

Factors Driving Need for New IMA

- **Permit/Regulatory**

- Reflect results of key studies/permit conditions
- Address impacts on Blue Plains' capacity/process requirements
 - CSO Long-term Control Plan
 - Chesapeake Bay Program/TMDL nutrient loads
 - New wastewater permit & biosolids management processes needs
- Potomac Interceptor & sewer system studies (flow management/capacity analysis/modeling)

Factors Driving Need for New IMA

- **Financial Obligations**

- Address cost-share agreements in response to those process/permit issues
- Include clear technical procedures for allocating shared facility costs
- Codify/integrate existing parallel agreements & cost-share decisions

Factors Driving Need for New IMA

- **Procedural/Structural**

- Reflect establishment of DC Water
- Clarify DC Water (operational) vs. District (governmental) roles
- Address ~40% of out-of-date/no longer applicable text
- Codify current practices/procedures
- Address need to resolve disputes in timely manner
- Address need for flexibility to reflect updated practices & technical changes in a timely/effective manner

Process to Create New IMA

- Annotated 1985 IMA Prepared (2005)
 - Documented understandings & issues - as of 2005
- Technical Work & Regulatory Actions (2005 – 2011)
 - Technical studies/analysis (2005-2011)
 - Blue Plains new permit & Bay TMDL issued (2010)
- Negotiation Team created (2009)
 - 2 members per jurisdiction/agency (*District, DC Water, Fairfax, Prince George's, Montgomery, & WSSC*)
 - Policy/Technical staff, Legal support, & work groups (*i.e., Legal, Operational, Intergovernmental, Pretreatment, Financial, Biosolids*)
 - Secretariat support by COG staff

Process to Create New IMA

- Dec. 2011 – Negotiation Team completes 2012 IMA
 - Reflects intensive multi-year process
 - Included active participation of all parties (i.e., technical, policy, financial, & legal)
 - Briefings to & guidance provided from Blue Plains Leadership Committee (BPLC) (i.e., CAOs and General Managers)
 - Negotiation Team made recommendation to BPLC to endorse/transmit final documents to Governing Bodies for formal approval by all Parties

Guiding Philosophy for New IMA

- Reflect all that has changed since 1985 IMA signed
- Reflect rights & responsibilities & commitments of all Parties
- Create a ‘living document’
 - **Core IMA** - To define fundamentals
 - **Derivative Agreements (DAs)** – To address matters that can/will change over time w/out modifying core fundamentals; they include:
 - **Operating Agreements (OAs)** - specifically address IMA implementation details
 - **Service Agreements & Limited Party Agreements** (discussed later)
- Define processes for ‘future’ issues – “anticipate change”
 - Address new regulatory requirements & integrated planning
 - Address new cost allocation & capacity implications
 - Resolve IMA “contract” disputes in a timely manner

2012 IMA – Structure & Rationale

- Core Agreement
 - Defines fundamental rights and responsibilities of - and commitments and agreements among the Parties
 - Builds on, updates and replaces 1985 IMA
 - To be signed by all IMA Parties
 - District, DC Water, Fairfax, Prince George's, Montgomery, WSSC
- Derivative Agreements
 - Authority 'derived' from core agreement/key principles
 - Flexibility to address operational details that routinely change over time
 - To be signed by Blue Plains Leadership Committee
 - Blue Plains CAOs & General Managers (DC Water & WSSC)

2012 IMA – Core Agreement

- Preamble
- 1. Key Principles
- 2. Governance
- 3. Blue Plains Permit Responsibilities & Treatment Process Requirements
- 4. Blue Plains Flow Capacity Loads, & Peak Flows – Allocations & Limitations
- 5. Financial Responsibilities of Parties
- 6. Flow & Load Measurement & Management
- 7. Wastewater Capacity Needs & Future Options
- 8. Pretreatment & Operational Requirements
- 9. Biosolids Management Commitments
- 10. Administrative Provisions & Procedures
- 11. Derivative Agreements Under This IMA
- 12. Glossary
- Signatories
- Appendix – Historical Agreements

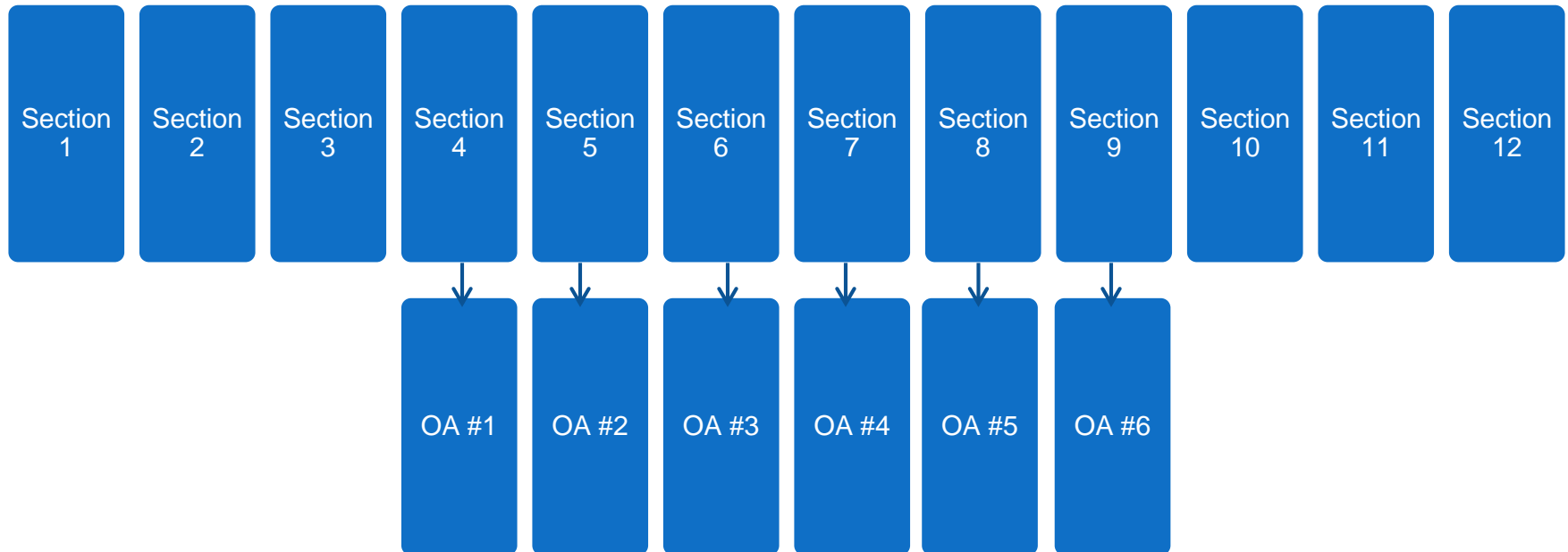
2012 IMA – Derivative Agreements

Currently 6 Operating Agreements (OAs) with supplemental Glossaries:

1. Blue Plains Flow Capacity, Load & Peak Flows – Allocations & Limitations
2. Financial Responsibilities
3. Flow and Load Measurement & Management
4. Wastewater Projected Flow Capacity Needs & Future Options
5. Pretreatment & Operational Requirements
6. Biosolids Management Commitments

2012 IMA – Correspondence of Core IMA with Derivative Agreements

Core 2012 IMA

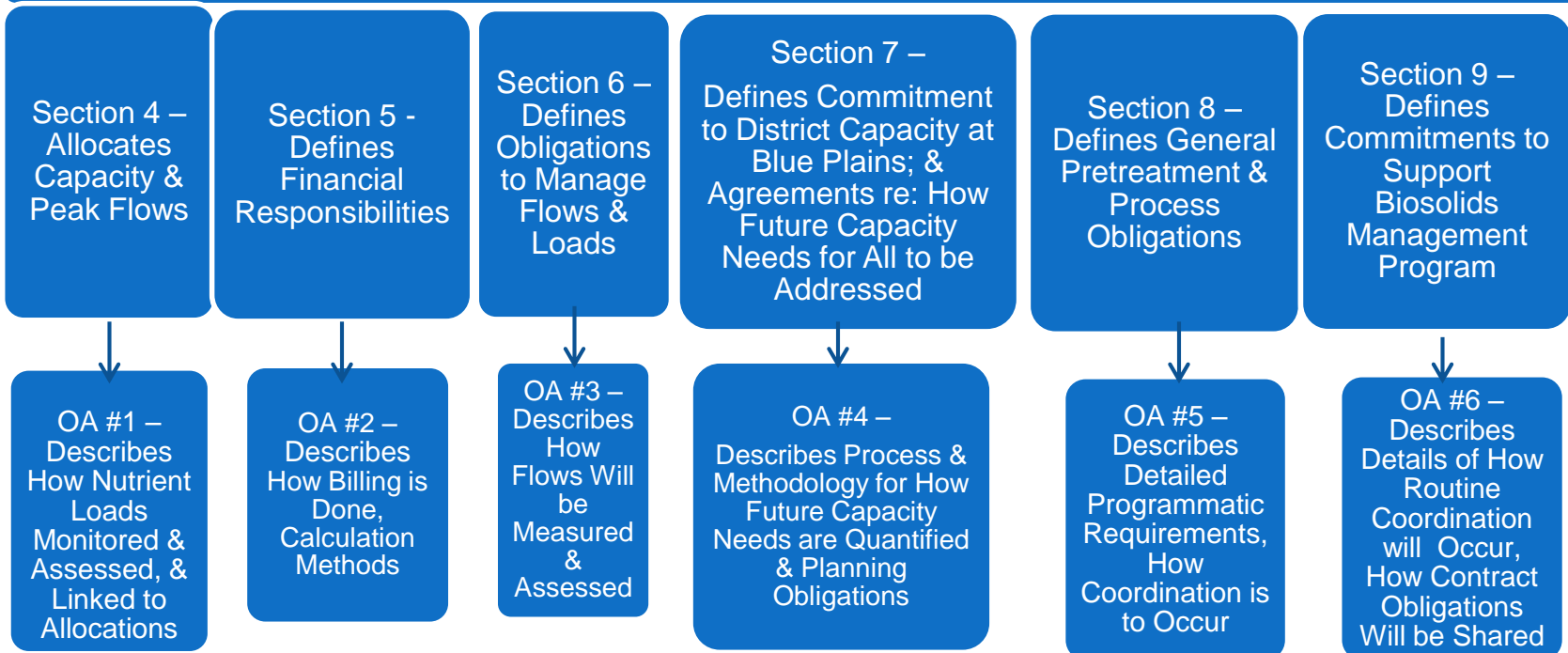


2012 IMA Briefing for DC Water
Governance Committee

January 11, 2012

2012 IMA – Correspondence of Core IMA with Derivative Agreements

Core 2012 IMA



2012 IMA Briefing for DC Water
Governance Committee

January 11, 2012

2012 IMA

Section 1. Key Principles

- Lists 12 Key Principles (KPs)
 - Similar to 1985 Principles - but recognizes DC Water & its role vs. District
 - Adds KPs to reflect Chesapeake Bay req.'s, IMA/DA amendment processes, & clear dispute resolution process
 - Acknowledges that overall conditions must also apply to other parties that also use Blue Plains but that are not signatory to the IMA (e.g., Loudoun Water, Town of Vienna, etc.)
- Provides basis for overall Agreement
 - Guide interpretation or dispute resolution
 - Core & DAs to be governed by & consistent w/ KPs

2012 IMA

Section 1. Key Principles (KPs)

- Defines commitment of Parties to:
 - Ensure best management of Blue Plains
 - Allocate capacity & peak flow limitations, and manage flows & loads
 - Assess how costs are allocated (Capital and O&M)
 - Take collective responsibility for biosolids management
 - Recognize DC Water's responsibility to operate Blue Plains & commitment of Parties to cooperate with DC Water
 - Address District capacity needs at Blue Plains & to work together to meet future needs for all Parties
 - Protect water quality
 - Address terms and how IMA & DAs to be amended
 - Handle disputes

2012 IMA

Section 2. Governance

- Defines levels of authority, and clear roles & responsibilities for:
 - Signatories
 - Leadership Committee (BP CAOs & DC Water & WSSC General Managers)
 - Regional Committee (professional staff appointed by CAOs/GMs)
- Enables observer participation in Leadership and Regional Committees
- Defines membership that includes all 6 Parties
- Acknowledges distinctions between operational vs. governmental/policy roles
- Addresses linkages to all governing bodies
- Formalizes dispute resolution process and timing
- Outlines notification & various process/procedural issues



2012 IMA

Section 3 – Blue Plains Permit Responsibilities & Treatment Process Requirements

- Specifies DC Water's responsibilities:
 - Overall permit compliance as operator of Blue Plains
 - Notification to other Parties of issues that do/may impact terms of IMA, especially financial impacts
 - To provide opportunity for comment & input
- Defines individual & collective financial responsibilities to support Blue Plains permit/process needs
- Commitment to a regional water quality stewardship role and financial support
- Reflects new obligations/implications to all Parties of:
 - New Blue Plains permit, CSO LTCP, & Ches. Bay TMDL

2012 IMA

Section 4. Blue Plains Flow Capacity, Loads & Peak Flows – Allocations & Limitations

- Defines how Blue Plains capacity is allocated
 - Table shows each allocation
- Codifies agreement to increase District capacity
 - Reassigns 4.5 mgd of remaining Potomac Interceptor Reserve to the District
- Acknowledges that Captured Stormwater Flow (now 21 mgd) is not counted against District's portion of 370 mgd allocation
- Reflects latest flow predictions & management assumptions (i.e., 370 mgd available to 2040)
- Defines how peak flows in Potomac Interceptor & other interceptor capacities are allocated & associated peak flow limits
 - Tables show allocations/limitations for each system



2012 IMA

Section 4. Blue Plains Flow Capacity, Loads & Peak Flows – Allocations & Limitations

- Describes:
 - Commitment of all to monitor/comply with allocations & peak flow limitations – and associated nutrient loads [New]
 - Conditions under which limited transfers of capacity may occur [New]
 - How transfers of nutrient loads would be dealt with [New]
 - Associated obligations of Non-Party Users & Indirect Users [New]
- Recognizes that loads are linked to capacity, & that options are limited based on District/Maryland/Virginia TMDL allocations
- Supported by **Operating Agreement #1**

2012 IMA

Section 4. Blue Plains Flow Capacity, Loads & Peak Flows – Allocations & Limitations

- **Operating Agreement #1:**
 - Notes that its' scope/authority are derived from Core IMA, **Section 4** obligations
 - **Defines Loads:**
 - **Effluent Loads** - Includes table that lists District, Maryland & Virginia TMDL allocations for nutrients (Nitrogen & Phosphorus) and for Blue Plains as a whole
 - **Influent Loads** - Includes table that lists current design flow and load assumptions for Blue Plains that are the used as basis for design, and that ensure that Blue Plains can meet its permit obligations

2012 IMA

Section 5. Financial Responsibilities of Parties

- Acknowledges responsibility & general basis for paying shared costs:
 - Capital Costs – based on allocation of 370 mgd
 - Operating & Maintenance (O&M) Costs – based on actual flows
 - User Fee – proportionate to share of 370 mgd
- Introduces concept of Multi-Jurisdiction Use Facilities (MJUF), determinations & application (*i.e., shared use & cost responsibilities*)
- States responsibility for sharing risks/paying proportionate share of Fines, Penalties & Claims
- Supported by **Operating Agreement #2**

2012 IMA

Section 5. Financial Responsibilities of Parties

- **Operating Agreement #2:**
 - Notes that its' scope/authority are derived from Core IMA, **Section 5** obligations
 - Documents current billing and payment procedures, & reconciliations - including those from several existing MOUs
 - Recognizes new methods for allocating use & shared costs (*over \$3 Billion in Capital Costs, e.g., for pipelines within District, & CSO LTCP*)
 - Reflects latest cost differential for how Captured Stormwater Flows should be billed (i.e., now to be adjusted by 49%)

2012 IMA

Section 6. Flow & Load Measurement & Management

- Acknowledges commitment of all to:
 - Manage flows to be consistent with allocations & limitations
 - Manage loads to meet Blue Plains permit & process needs (New)
 - Ensure that others also comply with these requirements (i.e., those managed by DC Water as well as Fairfax & WSSC)
- Acknowledges commitment to manage flows
 - District to manage Captured Stormwater Flows to meet permit, while protecting overall capacity obligations [New]
 - Suburban members to manage their Inflow/Infiltration flows
- Supported by **Operating Agreement #3**

2012 IMA

Section 6. Flow & Load Measurement & Management

- **Operating Agreement #3:**

- Notes that its' scope/authority are derived from Core IMA, **Section 6** obligations
- Outlines detailed procedures for how flows will be measured, reported, assessed & managed
- Includes calculations, examples, & actual nomographs used to support those calculations
- Outlines procedures for how influent loads will be measured, reported & assessed
- Describes link between flows & influent loads, need to monitor, potential impacts, & defines process for addressing such impacts should they become an issue
- Describes how peak flows to be measured, assessed & managed (including detailed calculations) – and modified if needed
- Defines how loads will be monitored, assessed & managed



2012 IMA

Section 7. Wastewater Projected Flow Capacity Needs & Future Options

- Outlines rationale & overall req.'s for assessing future flows & resulting capacity needs for Blue Plains Service Area (BPSA)
- Defines specific commitment to ensure that District capacity needs are addressed in a timely manner
- Recognizes complex links between capacity & loads, & regulatory requirements due to TMDLs/permits
- Defines a comprehensive assessment & jointly managed studies to determine future options - and joint responsibility for funding (in lieu of automatic off-loading & set reimbursement formula)
- Supported by **Operating Agreement #4**



2012 IMA

Section 7. Wastewater Projected Flow Capacity Needs & Future Options

- **Operating Agreement #4:**
 - Notes that its' scope/authority are derived from Core IMA, **Section 7** obligations
 - Describes how studies are to be conducted, methodologies used, & options evaluated
 - Notes obligations & outlines notification requirements if flows need to be diverted away from Blue Plains – and how associated loads will be managed



2012 IMA

Section 8. Pretreatment & Operational Requirements

- Acknowledges need to protect Blue Plains & sewage collection system to:
 - Meet EPA Pretreatment/permit requirements
 - Protect/meet operational requirements at Blue
- Defines monitoring, implementation & compliance obligations of:
 - Fairfax & WSSC - in their service areas, as well as their Indirect Users
 - DC Water – of Fairfax and WSSC, as well as Non-Party Users that they oversee
- Supported by **Operating Agreement #5**

2012 IMA

Section 8. Pretreatment & Operational Requirements

- **Operating Agreement #5:**
 - Notes that its' scope/authority are derived from Core IMA, **Section 8** obligations
 - References all existing pretreatment agreements
 - Defines screening requirements for pumping stations
 - Outlines detailed monitoring requirements/restrictions on trucked waste & other materials
 - Outlines reporting & enforcement requirements

2012 IMA

Section 9. Biosolids Management Commitments

- Reflects Blue Plains' Biosolids Management Program (BMP) objectives vs. detailed processes
- Outlines elements of collective/regional responsibility to support BMP (*e.g., coordination, address legislation, support DC Water's efforts*)
- Notes commitment to share contracting responsibilities
 - When/if deemed appropriate (routine) or necessary (emergency conditions)
 - To jointly share benefit of any sales
- States need for coordination/joint action if an emergency condition occurs
- Supplemented by **Operating Agreement #6**

2012 IMA

Section 9. Biosolids Management Commitments

- **Operating Agreement #6:**
 - Notes that its' scope/authority are derived from Core IMA, **Section 9** obligations
 - Defines Regional Committee responsibility to develop recommendations/actions to address obligations stated in **Section 9** and to address emergencies
 - Reflects current responsibility of WSSC to manage/issue contracts for portion of Blue Plains biosolids within a range (30% to 50%)
 - Outlines contract coordination/review processes, as well as marketing efforts

2012 IMA

Section 10. Administrative Provisions & Procedures

- Recognizes concept of Core IMA vs. DAs
- Addresses fundamental aspects, obligations & procedures related to the Core IMA & DAs
 - Duration *(i.e., until amended/replaced/terminated by mutual consent)*
 - Severability
 - Authority *(i.e., consistent w/ each jurisdiction/agency's own internal requirements)*
 - Core IMA Amendment procedures *(by Signatories; by mutual consent)*
 - Dispute Resolution
 - Notices
 - Prior Agreements

2012 IMA

Section 11. Derivative Agreements Under This IMA

- Outlines scope, types, function & general limitations of all DAs – but all are ‘derived’ from principles/scope of the Core IMA and cannot change contractual rights/responsibilities of the Parties
 - **Operating Agreements** (*in 1985, such details were in IMA itself – hence easily got out-of-date*)
 - Modifications subject to a 60-day review period by Signatories
 - **Service Agreements** (*includes existing agreements with Non-Party Users & Indirect Users; as well as services to support Parties, e.g., secretariat services and regional water quality program*)
 - **Limited Party Agreements** (*limited to specific actions/allocations of capacity among 2 or more Parties or Party(ies) with Non-Party(ies)*)

2012 IMA

Section 12. Glossary

- Includes terms needed in Core IMA
- Reflects current conditions & updates/refines definitions as needed
- Retains key terms, but avoids inclusion of commonly understood language (*e.g., biosolids*)

Note: Similar approach used to include glossaries within each DA as needed to reflect additional terms



2012 IMA Signatories

- **District of Columbia** - Mayor
- **DC Water** – Chairman, Board of Directors
- **Fairfax County** – Chairman, Board of Supervisors
- **Montgomery County** – President, County Council & County Executive
- **Prince George's County** – Chair, County Council & County Executive
- **WSSC** – Chair & Vice Chair

2012 IMA – A Living Document

- **Continues** to provide clear financial support/commitment to fund expenses at Blue Plains & other shared facilities
- **Builds upon** past 26 years of regional collaboration, cooperation & coordination
- **Reflects** latest permit/regulatory requirements as well as a tremendous amount of technical work & analysis
- **Reflects** DC Water and its unique role as operator/permit holder
- **Structure defines** the critical rights & responsibilities and commitments of the Parties; and **provides flexibility** to effectively/and in a timely manner address new requirements/procedures (*i.e., anticipates and plans for change*)
- **2012 IMA** expected to be viable for many decades

2012 IMA – Benefits to the Region

- **Financial Support for Blue Plains** - Ensures shared & continued/long-term funding for Blue Plains & associated facilities *(approximately \$6 – 8 Billion Capital and O&M expenses over 20 years)*
- **Water Quality** - Addresses need for collaborative approach to deal with future capacity needs, how to address nutrient load allocations in COG region, and commitment to protect water quality in Potomac, Anacostia, & Chesapeake Bay
- **Regional Wastewater Needs** – Ensures that the wastewater treatment requirements for approximately ½ of the region’s wastewater capacity is addressed for the next 30 years.
- **Regional Collaboration** – Builds on 26 years of successful cooperation & integrated planning

2012 IMA Review and Approval Process

- Final 2012 IMA documents to be transmitted to all Parties: Mid-January
- Briefings: January & February
 - DC Water Governance Committee – January 11th
 - DC Water Board – February 2nd
 - Other Parties (*currently being scheduled*)
- Submitted to Governing Bodies for Approval: January - March
 - DC Water Board – March 1st (proposed)

Wrap-up

- Questions?
- Contact Information:
 - Stuart A. Freudberg
Director, Department of Environmental Programs, MWCOG
(202) 962-3340 sfreudberg@mwkog.org
 - Tanya T. Spano
Chief, Regional Water Quality Management Section, MWCOG
(202) 962-3776 tspano@mwkog.org



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY | 5000 OVERLOOK AVENUE, SW | WASHINGTON, DC 20032

January 9, 2012

Alethia Nancoo, Chair and
Members of the Governance Committee and
Anthony H. Griffin, Chair and
Members of the Human Resources & Labor Relations Committee
District of Columbia Water and Sewer Authority
5000 Overlook Ave., S.W.
Washington, D.C. 20032

Dear Chair Nancoo & Griffin and
Members of the Governance & HR/Labor Relations Committees:

During FY 2011, there was reorganization of Human Resources to bring our function more in line with other organizations' human resources function. The "best in class" organizations were defining their human resources function as Human Capital Management. The reorganization request was approved in late August 2011, and implemented on September 25, 2011.

This request to amend the name of the Human Resources and Labor Relations Committee to Human Capital Management and Labor Relations is to make the name of this Board committee consistent with the DC Water department name, Human Capital Management. There is a copy of the new human capital management mission statement that was prepared for this reorganization request that has been enclosed, to further explain the function of the Human Capital Management Department.

Please contact me with any questions you may have concerning these responses.

Sincerely,

A handwritten signature in blue ink, appearing to read 'George S. Hawkins'.

George S. Hawkins
General Manager

Enclosed

dcwater.com

Human Capital Management

The Office of Human Capital Management ensures that DC Water has the workforce necessary, both now and in the future, to accomplish the goals and objectives of DC Water. The Office ensures that the human capital management program is aligned with refining and improving internal business processes in the areas of safety, environmental compliance and remediation, project management, performance, occupational health, contract planning and execution, and human capital management.

The Office forecasts what competencies the DC Water workforce of the future will require to achieve mission success and the anticipated challenges as the Enterprise moves from a "silo-ed" internally focused culture to one that requires more partnerships, results and matrix-management orientation, and integrated performance. The Office provides objective data for organizational results, stakeholder satisfaction, and employee perspectives which are critical in improved management, identifying improvement opportunities and program performance comparison. It builds measures and risk indicators for DC Water Human Capital Management that allows the senior leadership team to make fact-based decisions and identifies risk factors involving their human capital. It oversees development and design of human capital prototype programs such as the Professional Development Corps, Executive Mentoring program, DC Water diversity initiatives and DC Water Leadership Excellence Program designed to improve senior executive leadership at DC Water sites and through focused follow-on leadership/management learning and development activities. The Office provides extensive human resources liaison and advisory services in the area of recruitment and retention strategies, classification, organizational structure, employee and labor relations, performance management and recognition programs.