

BLUE PLAINS COMMITTEES & IMA RENEGOTIATION TEAM
Calendar Year (CY) 2006 Meeting Schedule – DRAFT

Unless otherwise noted, all meetings are regular meetings.

MONTH	COMMITTEE				
	BIOSOLIDS CROSS-FUNCTIONAL TEAM (CFT)	TECHNICAL (BPTC)	REGIONAL (BPRC)	CHIEF ADMINISTRATIVE OFFICERS (BPCAOs)	IMA NEGOTIATION TEAM (IMA NT) (see * note also)
	Monthly, 3 rd Wed. (9:30 - 11:30 am)	Monthly, 2 nd Tues. (12:00 - 2:00 pm)*	Approx. once every Qtr. (10:30 am - 12:30 pm)	As needed basis – But, when reqd., tentatively proposed to occur 1 st Wed. (10 am – 12pm) - <u>Before</u> COG CAOs' meetings	2 nd & 4 th Tues.'s (9:00 am - 12:00 pm) & (9:00 am – 3:00 pm) - respectively
FY 2006					
JAN	JAN 18	JAN 17	JAN 24	N/A	Coord. prior to 1 st meeting
					JAN 31 (9 – 3)
FEB	FEB 15	FEB 14			FEB 14 (9 – 12)
					FEB 28 (9 – 3)
MAR	MAR 15	MAR 14		MAR 1 Review Updated BPSA Flows	MAR 14 (9 – 12)
					MAR 28 (9 – 3)
APR	APR 19	APR 11	APR 18	APR 5 (tent.)	APR 11 (9 – 12)
					APR 25 (9 – 3)
MAY	MAY 17	MAY 9		MAY 3 (tent.)	MAY 9 (9 – 12)
					MAY 23 (9 – 3)
JUN	JUN 21	JUN 13	JUN 20	JUN 7 (tent.)	JUN 13 (9 – 12)
					JUN 27 (9 – 3)
FY 2007					
<i>Draft Agreement Due July (so later IMA NT dates are tentative)</i>					
JLY	JUN 19	JLY 11		JLY 3 - Deadline Receive Draft Agreement	JLY 25
AUG	AUG 16	AUG 8			AUG 22
SEP	SEP 20	SEP 12	SEP 19		SEP 26
OCT	OCT 18	OCT 19			OCT 24
NOV	NOV 15	NOV 14			NOV 28
DEC	DEC 20	DEC 12	DEC 19		DEC 20**

NOTE *: As required for input/reference, BP Users' Counsels could meet after COG's Attorney's Committee – which meets on the 1st Thursday of each month (10:00 am to 12:00 pm).

“ANNOTATED VERSION”

OF THE

BLUE PLAINS INTERMUNICIPAL AGREEMENT OF 1985

(January 2005)

Prepared by BPTC and COG staff on behalf of:

District of Columbia
DC Water and Sewer Authority
Fairfax County, Virginia
Montgomery County, Maryland
Prince George’s County, Maryland
Washington Suburban Sanitary Commission

***Note:** This document is an electronic version of the original IMA, with the addition of a Table of Contents. The text and tables are verbatim transcripts from the 1985 IMA. However, text surrounded by a solid black border represents consensus language agreed to by the BPRC and BPCAOs, and is NOT part of the original 1985 IMA.*

Annotations for Section 7: District Wastewater Treatment Requirements Beyond 2010

Several long-range planning issues are critical and need to be resolved before proceeding with a new IMA. One of the main purposes of the IMA is to provide the parties with clarity regarding long-term wastewater treatment capacity. The IMA provides for offloading of suburban flow to meet the District's needs under certain conditions. However, the obligations of the District and DC-WASA to meet certain preconditions and to demonstrate need are unresolved. Further, the scope of what constitutes the District's need is also unresolved. The current lack of clarity precludes proceeding with a new IMA at this time. The main issues contributing to this lack of clarity are:

- ✓ Lack of agreement among Users concerning interpretation of the IMA provisions relative to allocated capacity;
- ✓ Uncertainties regarding new water quality requirements;
- ✓ The impact of the DC-WASA's CSO Long-Term Control Plan on available capacity; and
- ✓ Potential compensation for offloaded flows.

Regarding Offloading:

Offloading is not required as long as Blue Plains is operating within its 370 MGD rated capacity. Assuming all flow management actions as documented in the BPSA Phase I Facility Planning Study (December 2003) are successfully implemented, Blue Plains capacity is estimated to be sufficient until 2030. The capacity timeline of 2030 assumes timely and successful implementation of various wastewater flow management and diversion actions. If none of these actions is implemented, Blue Plains is projected to reach its 370 MGD capacity by 2015. Accordingly, offloading is not envisioned to be an issue in the "short-term," i.e., before 2015.

Follow-on studies to the Phase I Study will evaluate and update capacity impacts associated with water quality regulations and the CSO Long-Term Control Plan, etc. This information could modify the capacity timeline.

If, however, unforeseen circumstances should result in plant capacity issues and the District is required to offload other Users, the Suburban Users will have up to 10 years to effect the offloading. In all cases, the District will retain sufficient capacity to meet its needs.

All Blue Plains Users must seek to operate within their allocations.

Regarding Duration of the Capacity Allocations:

The duration of the capacity allocations as presented in the IMA will continue in full force and effect until replaced by a subsequent regional agreement. It is the intent of all Blue Plains Users to enter into a subsequent regional agreement by end of calendar year 2010. It is expected that follow-up studies to the Phase I Study will be completed by 2006 and that all relevant information will be used to develop the terms and conditions for this subsequent regional agreement by 2010. However, if the region is unable to negotiate new capacity allocations in the subsequent regional agreement by 2010, as envisioned above, the capacity allocations identified in the 1985 IMA shall remain in effect until there is regional agreement to modify the capacity allocations.

SECTION 7: DISTRICT WASTEWATER TREATMENT REQUIREMENTS BEYOND 2010

A. Provision of Capacity for the District's Future Needs

1. On or after January 1, 2000, the District may notify the other Parties that it will require a specified amount of Wastewater treatment capacity in addition to the 148 MGD allocated to the District in Section 3A of this Agreement, and may require that this capacity be made available by WSSC and Fairfax no later than ten (10) years from the date of the request provided the District's Actual Flow plus Committed Flow to Blue Plains on January 1, 2000, is at or below 148 MGD or it can be demonstrated that the increment of the District's Annual

Average Flow in excess of 148 MGD is due to a growth in residential, employment and visitor flow greater than the thirteen (13) MGD projected in the Blue Plains Feasibility Study.

2. The projection of the District's future Wastewater treatment capacity need shall be based on the outcome of a facility planning study, jointly participated in by the Parties, and funded by the Users.
3. The WSSC share of the amount to be Offloaded or reallocated pursuant to Section 7A1 shall be eighty-five percent (85%). The Fairfax share shall be fifteen percent (15%).
4. The capacity to be Offloaded shall come from the Suburban Users' total Treatment Capacity Allocation, purchased plus rented, at the time Offloading is required.

B. Offloading

1. Upon receiving notification from the District of its need, the Suburban Users shall:
 - a. Within four (4) years following the date of the District's notification conduct whatever studies are deemed appropriate to develop the Offloading plan, site any required facilities and acquire all necessary permits and approvals.
 - b. Within six (6) years following the date of the District's notification initiate construction of any facility that may be required to implement the Offloading plan.
 - c. Within ten (10) years from the date of the District's notification make available to the District its additional need.
2. Should either Suburban User fail to comply with the provisions of Sections 7B1a, 7B1b, or 7B1c within the time periods specified, that User shall make no further commitments for sewer service that will increase its Wastewater Flows to Blue Plains until the Offloading plan is either back on schedule or implemented. Any Blue Plains Treatment Capacity Allocation of that User in excess of that required to treat the sum of its Actual Flow plus Committed Flow shall be placed in reserve until the Offloading plan is back on schedule or implemented. If the plan is not implemented within ten (10) years from date of the District's notification, this reserve shall, by operation of this Agreement, be allocated to the District and thereafter be available to the District for its use.
3. Failure to obtain federal and/or state grant funds shall not relieve a User of its obligation to comply fully with the provisions of Section 7B.

C. PAYMENT

1. The District shall compensate the Suburban Users for any treatment plant capacity it obtains at Blue Plains through Offloading. The cost per MGD for capacity obtained in this manner will be established by dividing the Blue Plains Then Current Value by the total Treatment Capacity Allocation at Blue Plains. An example of the methodology to be used in this calculation is shown in Appendix 7A.

APPENDIX 7A
PAYMENTS REQUIRED OF THE DISTRICT TO INCREASE ITS CAPACITY AT BLUE PLAINS THROUGH THE OFFLOADING OF OTHER USERS

(Sample Calculation)

For illustrative purposes this sample calculation assumes the following:

- a. The Blue Plains Current Value plus federal grants of that portion of the Blue Plains Facilities for which contracts were executed prior to October 1, 1983 = \$509,581,000
- b. The ENR BCI on September 30, 1983 = 2480
- c. The Blue Plains Facilities for which contracts were executed after September 30, 1983, until the date of Offloading were built under two contracts as follows:
 - Contract X, total costs (including all related administrative and engineering costs) = \$200,000,000, at mid-point of construction ENR BCI = 2620
 - Contract Y, total costs (including all related administrative and engineering costs) = \$100,000,000, at mid-point of construction ENR BCI = 3000

d. When Offloading occurs ENR BCI = 8400 Then, the Blue Plains Then Current Value is calculated as follows:

- for portion of Blue Plains constructed prior to October 1, 1983
 \$509,581,000 minus \$178,353,350 (depreciation) multiplied by

$$\left[\frac{8400}{2480} \right] = \$1,121,900,000 \text{ plus}$$

- for portions of Blue Plains constructed after September 30, 1983

Contract X
 \$200,000,000 minus \$20,000,000 (removals & depreciation)

multiplied by $\left[\frac{8400}{2620} \right] = \$577,099,200$

Contract Y
 \$100,000,000 minus \$10,000,000 (removals & depreciation)

multiplied by $\left[\frac{8400}{3000} \right] = \$252,000,000$

Blue Plains Then Current Value (Contracts X+Y) \$ 829,099,200

Blue Plains Then Current Value at Offloading \$1,950,999,200

Unit Cost per MGD of capacity

$$\left[\frac{\$1,950,999,200}{370} \right] = \$5,272,971$$

Cost to the District for a 5 MGD increase in its Treatment Capacity Allocation

$$\left[\frac{\$5,272,971}{\text{MGD}} \right] \text{ multiplied by 5 MGD} = \$26,364,850$$