

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment



**Stormwater In-Lieu Fee Special Purpose
Revenue Fund
Fiscal Year 2017 Summary Report**

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Background

The Fiscal Year 2014 Budget Support Act of 2013 established the Stormwater In-Lieu Fee Special Purpose Revenue Fund (ILF Fund), which is administered by the Department of Energy and Environment (DOEE). The ILF Fund is used to install green infrastructure (GI) that captures stormwater runoff and protects District waterbodies. Revenue comes from major development projects that trigger requirements for stormwater retention under the 2013 Rule on Stormwater Management and Soil Erosion and Sediment Control (2013 Stormwater Rule).¹ The 2013 Stormwater Rule requires these projects to achieve their Stormwater Retention Volume (SWRv) with on-site GI, Stormwater Retention Credits (SRCs), payment of in-lieu fee (ILF), or a combination of these options. Off-Site Retention Volume (Offv) is the portion of a SWRv that is not retained on site and must be achieved through use of SRCs or payment of ILF. Just as the on-site GI of regulated projects must be operational as of sites' final construction inspection, their Offv must be met at the same time.

In-Lieu Fee Rate

The Rule established a base ILF of \$3.50 per gallon of Offv. Annually, as required by Section 530.2 of 21 DCMR, DOEE adjusts the base ILF to account for inflation using the United States Bureau of Labor Statistic's Urban Consumer Price Index values through June of each year. While the ILF rate is rounded to the nearest cent, inflation adjustments are made on non-rounded values. The current ILF rate is available at doee.dc.gov/src. Adjustments to the ILF are summarized in Table 1.

Table 1: Adjustments to the ILF

Date of ILF Calculation	CPI Value	Inflation Rate	In-Lieu Fee	Date Effective
June 2013	233.504	N/A	\$3.50	July 19, 2013
June 2014	238.343	2.07%	\$3.57	December 5, 2014
June 2015	238.638	0.12%	\$3.58	February 5, 2016
June 2016	241.038	1.01%	\$3.61	April 21, 2017
June 2017	244.955	1.63%	\$3.67	Pending ²

In-Lieu Fee Fund Revenue and Expenditure

To avoid time delays between an ILF payment and construction of corresponding GI, DOEE funds ILF projects in advance of receiving ILF payments. DOEE funds these projects with the District's Municipal Separate Storm Sewer System (MS4) Enterprise Fund with the expectation that subsequent ILF payments will reimburse the MS4 Enterprise Fund. From an accounting

¹ Two types of development projects trigger requirements for stormwater retention. The first type, major land disturbing activities, are development projects that disturb 5,000 ft² or more of land area. The second type are major substantial improvement activities, which are renovation or addition projects where the cost of improvement equals at least 50% of the pre-project assessed value of the structure and the combined footprint of the improved area and land disturbance is $\geq 5,000$ ft².

² As of the publication of this report, DOEE has not finished the rulemaking process to adjust the ILF based on the June 2017 CPI value

standpoint, this is accomplished by transferring expenditures from the MS4 Enterprise Fund to the ILF Fund.

In some cases, DOEE has pro-rated and reimbursed ILF payments. For example, a project paid ILF for one year of Offv compliance starting 3/17/2017. The site later used SRCs to satisfy its Offv starting 5/4/2017. Therefore, DOEE reimbursed the ILF payment that accounted for Offv compliance from 5/4/2017 through 3/16/2017. In prior years, DOEE has only transferred expenditure to the ILF Fund to account for completed periods of Offv compliance so that DOEE can process reimbursements if necessary. This year, DOEE is transferring expenditure to the ILF Fund to account for all ILF payments with the intention that if an ILF reimbursement is necessary in the future, the corresponding expenditure can be transferred back to the MS4 Enterprise Fund.

DOEE has used ILF funding to support the installation of a rainwater harvesting system at Brookland Middle School in northeast Washington, DC. This site drains via the MS4 to the Northwest Branch of the Anacostia River. The project was funded with \$450,858.00 from the MS4 Enterprise Fund. The cistern provides 16,090 gallons of stormwater retention capacity annually. In FY 2015, DOEE approved 48,270 gallons of ILF retention over a three-year certification period for ILF gallons. Of the total \$450,858.00 from the MS4 Enterprise Fund used to build the cistern, DOEE has transferred a total of \$127,515.07 of expenditure from the MS4 Enterprise Fund to the ILF Fund. Of the total 48,270 gallons of ILF retention DOEE has certified, 39,335 gallons have been used for compliance.

Table 2 shows the ILF payments DOEE has received, beginning in FY 2015, and the amount of expenditure transferred to the MS4 Enterprise Fund. DOEE received 3 ILF payments in FY 2017 totaling \$7,996.26. DOEE reimbursed \$675.67 of ILF payment due to pro-ration and transferred \$7,320.59 of expenditure from the MS4 Enterprise Fund to the ILF Fund. The ILF Fund also accrued \$5.47 of interest prior to DOEE’s transfer of expenditure, so DOEE transferred an additional \$5.47 of expenditure from the MS4 Enterprise Fund to the ILF Fund.

Table 2: ILF Revenue and Expenditure

Individual ILF Payments Received	FY Received	Offv Compliance Period	ILF Used (Expenditure transferred from the MS4 Enterprise Fund)	ILF Reimbursed	Offv Achieved (gallons)
\$133,819.00	FY 2015	11/30/2015 – 10/07/2016	\$114,387.72	\$19,431.28	32,682 (pro-rated)
\$5,806.76	FY 2016	10/4/2016 – 10/3/2017	\$5,806.76	\$0	1,622
\$1,360.40	FY 2017	1/9/2017 – 1/8/2018	\$1,360.40	\$0	380
\$780.44	FY 2017	3/17/2017 – 5/4/2017	\$104.77	\$675.67	29 (pro-rated)
\$5,855.42	FY 2017	10/4/2017 – 10/3/2018	\$5,855.42	\$0	1,622

More Information

The ILF Fund is managed by the Water Resource Protection and Mitigation Branch in DOEE's Regulatory Review Division. Please visit doee.dc.gov/src for more information, including DOEE's SRC and Offv Registry, which lists sites that are using SRCs or paying ILF to meet their Offv obligations. Additional questions may be directed to Brian Van Wye, Associate Director for the Regulatory Review Division, at (202) 741-2121 or brian.vanwye@dc.gov.