

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment



**Stormwater In-Lieu Fee Special Purpose
Revenue Fund
Fiscal Year 2016 Summary Report**

Tommy Wells, Director
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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. DOEE has made the following 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

In-Lieu Fee Revenue

In FY2016, DOEE received one ILF payment of \$5,806.76 to achieve one year of Offv compliance for a site with an Offv of 1,622 gallons. As the payment was made prior to the end of the construction process, the one year of Offv compliance did not begin until DOEE's Final Construction Inspection in the beginning of FY 2017.

¹ Two types of development projects trigger requirements for stormwater retention. The first type, major land disturbing projects, are development projects that disturb 5,000 ft² or more of land area. The second type are major substantial improvement projects, 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.

Fund Expenditures

ILF received	FY Received	Offv Compliance Period	ILF Used	ILF Reimbursed	Offv Achieved
\$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	Pending completion of Offv compliance period		1,622

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 standpoint, this is accomplished by transferring expenditures from the MS4 Enterprise Fund to the ILF Fund. The amount of expenditure transferred is based on the amount of ILF used by regulated sites during the fiscal year.

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 total cost of the cistern was \$450,858.00 and it provides 16,090 gallons of stormwater retention capacity annually. In FY 2015, DOEE approved 48,270 gallons of ILF retention over a three-year period of certification for ILF gallons.

In FY 2016, DOEE transferred \$2,566.34 of expenditure from the MS4 Enterprise Fund to the ILF Fund and also reimbursed \$19,431.28 to a project for its prorated ILF payment. Both actions were related to a project that had paid ILF in FY 2015 and as such, these actions were also described in the FY 2015 ILF Fund Report, (available at doee.dc.gov/publication/ILFReports). The project paid \$3.50 per gallon for an Offv of 38,234, totaling \$133,819.00 of ILF payment for a period of Offv compliance lasting from November 30, 2014 through November 29, 2015. In FY 2015, DOEE transferred \$111,821.38 from the ILF Fund to the MS4 Enterprise Fund to account for the Offv achieved from November 30, 2014 through September 30, 2015. As of October 8, 2015, the site acquired and used SRCs to meet its Offv. Compliance for the time period spanning October 1 through October 7, 2015 was met with ILF, so \$2,566.34 of ILF funding was transferred from the ILF Fund to the MS4 Enterprise Fund for that period. The remaining ILF payment (\$19,431.28), which would have covered the time period from October 8 to November 29, 2015, was reimbursed. Due to pro-ration, the net \$114,387.72 ILF payment for the project accounted for 32,682 gallons of Offv.

The site that paid \$5,806.76 in FY 2016 did not begin its period of Offv compliance until FY 2017. DOEE does not transfer expenditure from the MS4 Enterprise Fund to the ILF Fund prior to the period of Offv compliance, so this funding remained in the ILF Fund at the end of FY 2016. In FY 2017, DOEE will transfer expenditure from the MS4 Enterprise Fund to the ILF Fund to account for the Offv met during FY 2017 for this project.

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, Branch Chief for Water Resource Protection and Mitigation Branch at (202) 741-2121 or brian.vanwye@dc.gov.