

**Stormwater In-Lieu Fee Special Purpose
Revenue Fund
Fiscal Year 2015 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 retains rainfall to reduce runoff and improve 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 (Rule).¹ The 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. 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.

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 Urban Consumer Price Index published by the United States Bureau of Labor Statistics. In FY2015, effective December 5, 2015, DOEE adjusted the base ILF by 2.07% to \$3.57 to account for the change in inflation from June 2013 to June 2014. In FY 2016, DOEE expects to increase the ILF by 0.12% to \$3.58 per gallon per year.

In-Lieu Fee Revenue

In FY2015, DOEE received an ILF payment of \$133,819.00 to achieve one-year of compliance for a site with an Offv of 38,234 gallons. The one year period of compliance via the ILF began November 30, 2014, with the payment based on the ILF of \$3.50 per gallon per year. The site is located in the Combined Sewer System of the Anacostia River watershed. Beginning on October 8, 2015 (i.e., FY2016), however, the site acquired and used SRCs to meet its Offv through October 7, 2018. Subsequently, DOEE refunded the site for \$19,431.28, which is the pro-rated portion of its ILF for the period from October 8, 2015 through November 29, 2015.

Fund Expenditures

DOEE used ILF payments received in FY 2015 to partially support the installation of a rainwater harvesting system at Brookland Middle School in northeast Washington, DC. This site drains 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 annually or 48,270 gallons over the three-year period of certification for ILF gallons. Of these gallons, DOEE applied 32,682 gallons toward the Offv obligation for the site that paid ILF in FY2015. The site met its remaining Offv obligation with SRCs, as described above.

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.

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 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.

For FY2015, DOEE transferred \$111,821.38 of expenditures from the MS4 Enterprise Fund to the ILF Fund. This transfer comprises the portion of the ILF payment that corresponds to the period from November 30, 2014 through September 30, 2015 for the regulated site described above. For the FY2016 portion of the ILF payment, which corresponds to the time from October 1, 2015 through October 7, 2015, DOEE has initiated the transfer of an additional \$2,566.34 from the MS4 Enterprise Fund to the ILF Fund.

More Information

The ILF Fund is managed by the Program Implementation Branch in DOEE's Stormwater Management 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 should be directed to Brian Van Wye, Branch Chief for Program Implementation in the Stormwater Management Division at (202) 741-2121 or brian.vanwye@dc.gov.