

**Director George S. Hawkins - Testimony Before the Council of the District of Columbia
Comprehensive Stormwater Management Enhancement Amendment Act of 2008
(October 29, 2008)**

Good afternoon Chairman Graham and members of the Committee. I am George Hawkins, Director of the District Department of the Environment (DDOE). Thank you for the opportunity to present testimony on stormwater management in the District and, in particular, B17-980 the "Comprehensive Stormwater Management Enhancement Amendment Act of 2008." This legislation results from the efforts of a stakeholder Task Force that you convened. On behalf of DDOE, I would like to express our appreciation for your leadership in initiating this process and in introducing this legislation. This bill will greatly enhance DDOE's ability to manage stormwater in the District and to protect and preserve the District's rivers and streams.

Background

DDOE is responsible for overseeing and implementing a U.S. EPA-issued national pollutant discharge elimination system (NPDES) permit that regulates the District's municipal separate storm sewer system (MS4). This system serves approximately 2/3 of the District and collects stormwater runoff for direct discharge to Rock Creek, Potomac and Anacostia Rivers. In 2007, DDOE and U.S. EPA reached an agreement to modify this permit by incorporating an aggressive schedule for implementing pollution reduction technologies and policies throughout the District. Implementation of this permit is supported by funds raised by the District's stormwater fee, which was first established in 2000 by the Storm Water Permit Compliance Act and has generated approximately \$3.4 million in revenue each year. DDOE estimates that the cost of fulfilling its new permit obligations will be over \$13 million per year. To meet this need, DDOE obtained Council approval and promulgated a new regulation to increase the District stormwater fee to ensure we can meet these more stringent permit requirements.

As attached **Figure 1** illustrates, even with the recent fee increase, the District's stormwater fee remains low in comparison to other jurisdictions of similar size and population. Out of 71 jurisdictions examined in a 2007 survey, the District's new stormwater fee ranks 63rd.

Finally, it is important to make clear that the District stormwater fee, while is billed by DC WASA, is distinct from the fees DC WASA charges to cover costs associated with the Long Term Control Plan to reduce combined sewer overflows. However, while our fees are distinct and separate, they are linked in important ways. Both are collected by DC WASA on a citywide basis and, with the proposed shift to an impervious area-based rate structure, both will be collected using the same customer database that is now being developed by DC WASA. We have and will continue to work very closely with DC WASA on development and implementation of an impervious rate.

Impervious Stormwater Fee

This proposed legislation will allow DDOE to assess stormwater fees based on impervious cover or, in other words, the amount of paved surfaces, roofs, or similarly hardened area on a property. These surfaces correlate directly to the amount of stormwater runoff a property generates, and to the burden placed on the city's infrastructure and our receiving streams and rivers. As a result, an impervious fee represents a more equitable method of apportioning the city's stormwater management costs than the current fee structure, which is based on water consumption. For example, multi-family residential properties, such as apartment buildings, typically have relatively small amounts impervious area but consume large volumes of water. Under the current fee structure, these properties pay a stormwater fee based on this high rate of water consumption.

An impervious fee would shift costs from to properties that generate larger volumes of stormwater runoff, such as large office complexes and parking lots. As you can see from Figure 2, multi-family properties currently pay around 22% of the total revenue collected by the current water-consumption based fee, but will pay approximately 13% under the impervious structure. The District of Columbia Housing Authority's share would be reduced from 3% to 1%, while commercial properties would see their share of fees go from around 34% to 30%. Meanwhile, the federal government's share of the stormwater fee would increase from 15% to 24%.

Assistance Programs

The legislation includes provisions for assistance programs to mitigate the impact of the stormwater fee on low- and fixed-income residents in the District. These provisions are designed to ensure we maintain a “fee-for-service” model that can not be interpreted as a tax. As you are aware, the Federal government will not pay a local tax. So, in order to ensure we can fully collect for the significant stormwater services we provide the federal government, we must ensure all customers are charged according to their use of the stormwater system. Therefore, programs to provide relief to low- or fixed-income residents must—like our current Low Income Home Energy Assistance Program—be based on direct subsidies and support to qualified residents and not limits on their stormwater fees.

Incentives for Stormwater Best Management Practices

The proposed legislation includes a number of provisions that will lead to dramatic improvements in how stormwater is managed in the District. The impervious fee rate structure by itself creates a market incentive for new development and existing buildings to pave less or retrofit paved areas with greener stormwater management practices. This bill goes further by requiring DDOE to establish an incentive fee program so that a property owner who reduces his or her impervious area would see their stormwater fee reduced accordingly. The legislation also provides for grants and other incentives (in addition to fee reduction incentives) for property owners install Low Impact Development (LID) practices such as green roofs on District, residential, and commercial buildings. It also calls for an assessment of opportunities for implementing other progressive stormwater management practices on public buildings and in the public right-of-way. These provisions will help promote the adoption and implementation of newer, greener, and more progressive stormwater management practices.

Finally, the legislation would also reorganize the District’s Stormwater Advisory Panel, which will allow DDOE to better coordinate stormwater management tasks and responsibilities with its sister agencies, and to work with other major landholders such as the Department of Parks and Recreation and the DC Public Schools to implement innovative stormwater management techniques. This reorganization will also increase public participation by including citizens and stakeholders in the decision-making process for stormwater management issues.

This proposed legislation represents the best ideas of an inclusive group of stakeholders, including environmental advocates, business and development interests, nonprofits, and District and federal agencies. DDOE considers adoption of this legislation and its innovative approaches to be critical to our efforts to comply with the new U.S. EPA stormwater permit. More importantly, it represents a significant step toward cleaning up the District’s rivers and streams. DDOE is grateful that the Committee has given this issue and legislation the time and attention it requires, and strongly supports its passage.

Class	Water Consumption Method	Impervious Area Method
Single-Family Residential	21%	23%
District of Columbia Housing Authority	3%	1%
Multi-Family Residential	22%	13%
Commercial	34%	30%
Municipal	4%	8%
Federal	15%	24%
Total	100%	100%

Figure 2. Comparison of allocation of costs between fees based on water consumption and impervious area. (Source: DC WASA 9-08)