

PROPOSED CLEAN RIVERS IMPERVIOUS AREA CHARGE RELIEF PROGRAM FOR NONPROFITS



December 27, 2018



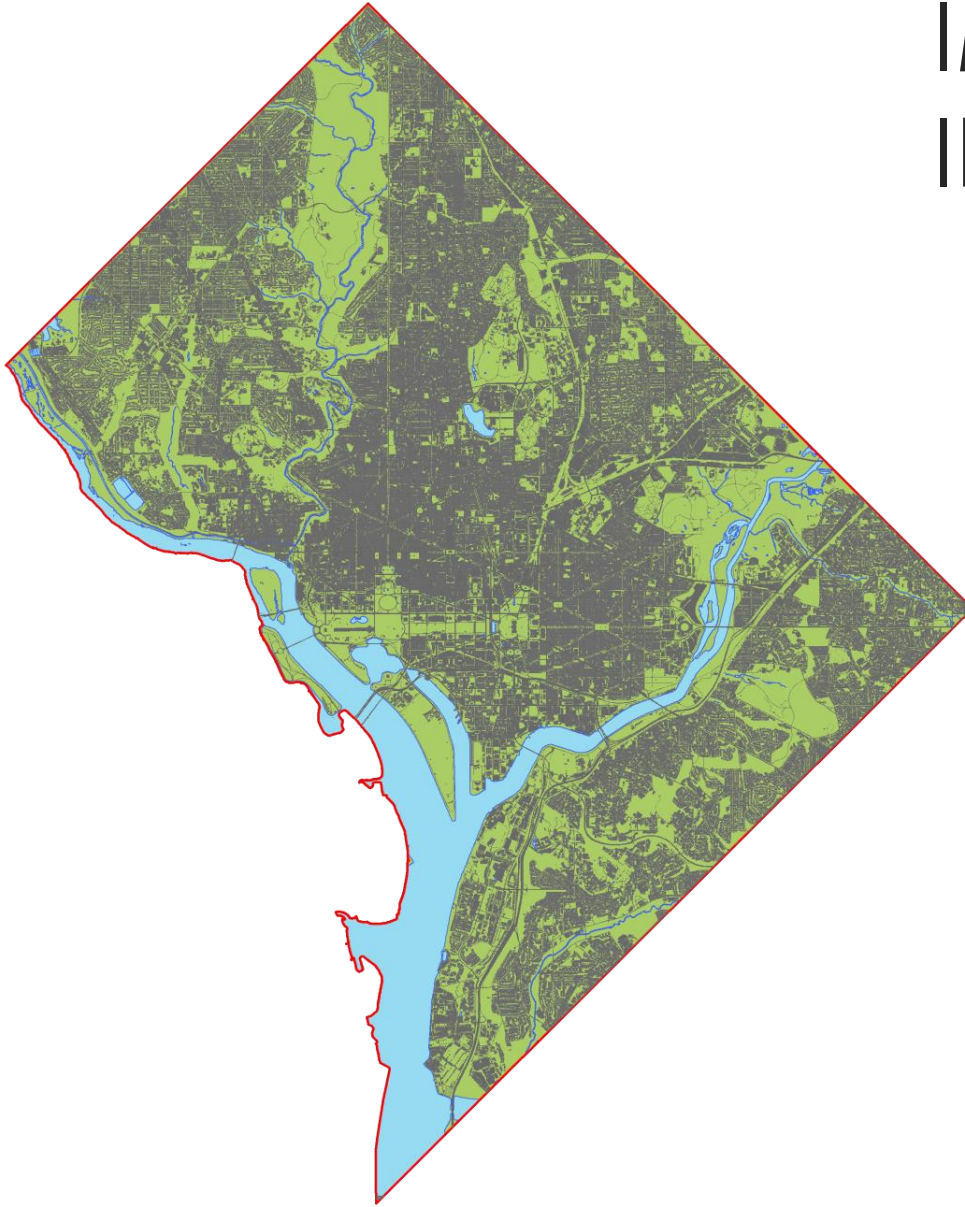
★ ★ ★ DEPARTMENT
OF ENERGY &
ENVIRONMENT
GOVERNMENT OF THE DISTRICT OF COLUMBIA

WE ARE
WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

PRESENTATION OUTLINE

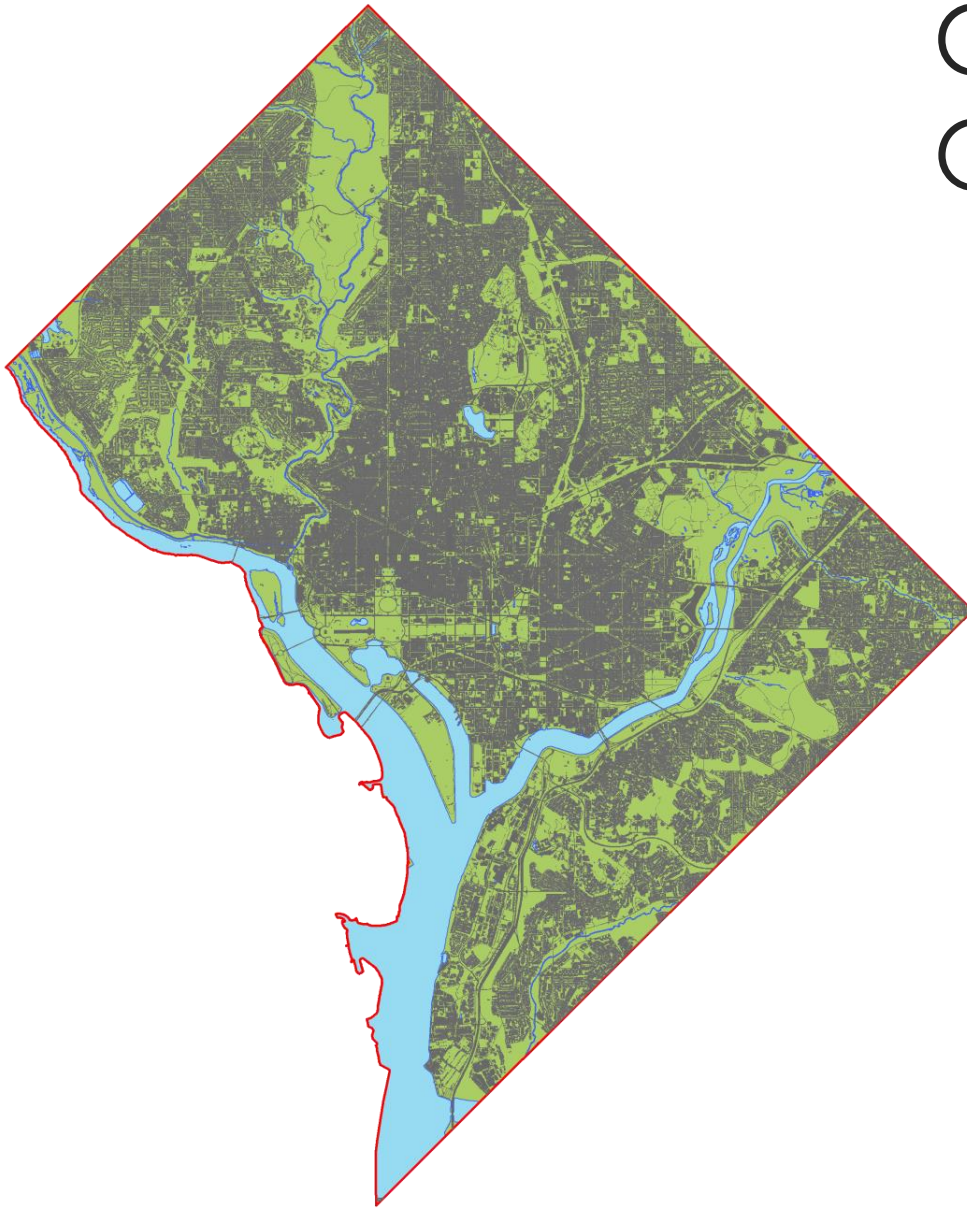
- Clean Rivers Impervious Area Charge (CRIAC) Background
- Overview of the legislation enabling the CRIAC Relief Program for Nonprofit Organizations
- Nonprofit Eligibility
 - What type of nonprofits are eligible?
 - How do we determine financial hardship?
 - Stormwater Mitigation Options
- Program Implementation

IMPERVIOUSNESS IN THE DISTRICT



- 43% of the District's land is impervious
 - Rooftops
 - Parking lots
 - Sidewalks
 - Driveways
- A 1.2-inch storm produces about 525 million gallons of stormwater runoff

COMBINED SEWER OVERFLOWS



- 3.2B gallons of raw sewage & storm water annually
- **DC Water's** Clean Rivers Project
 - \$2.7B project
 - 96% overflow reduction
 - Anacostia Tunnel
 - Online March 2018
 - 88% overflow reduction
 - Prevented 3B gallons of combined sewage overflow
- Funded by **DC Water** ratepayers - **CRIAC**

CLEAN RIVERS IMPERVIOUS AREA CHARGE

- Assessed on the monthly DC Water bill
- Clean Rivers Impervious Area Charge (CRIAC) collections are used to fund **DC Water's** Clean Rivers Project
- Based on the amount of impervious surface
 - Equivalent Residential Unit (**ERU**)
 - 1 ERU = 1,000 sf** of impervious area
 - 10,800 sf** of impervious = **10.8 ERUs**
 - FY19 Rate of \$23.00 per ERU



Account Number: 1234567-1
Service Address: #### Street Name AVE SE
Square/Suffix/Lot: #####/####
Impervious Sq. Ft: **10,800**

Questions/Preguntas: (202) 354-3600
Emergencies/Emergencia: (202) 612-3400
Visit Us Online: DCWater.com

Meter Number	Meter Size	Prior Read Date	Current Read Date	Number of Days	Prior Read	Current Read	Usage (CCF)	Usage (Gallons)	Read Type
#####	2"	9/26/18	10/23/18	28	73,820	75,620	18.00	13464.00	ACT

BILL SUMMARY

Bill Date	10/23/18
Previous Balance	\$654.43
Payments as of 10/23/18	\$654.43 cr
Outstanding Amount Due	\$0.00
Other Charges and Credits	\$0.00
Current Charges	\$588.64
Total Amount Due by 11/17/18	\$588.64

CURRENT CHARGES - COMMERCIAL

Metering Fee 2"	\$7.54
Water System Replacement Fee 2"	\$83.75
Water Services 3.21 CCF X \$4.40	\$14.12
Water Services 14.79 CCF X \$4.05	\$59.90
Sewer Services 3.21 CCF X \$6.00	\$19.26
Sewer Services 14.79 CCF X \$7.75	\$114.62
Clean Rivers IA 10.80 ERU X \$23.00	\$248.40

DC GOVERNMENT FEES

DC Government PILOT Fee 3.21 CCF X \$0.49	\$1.57
DC Government PILOT Fee 14.79 CCF X \$0.50	\$7.40
DC Government ROW Fee 18.00 CCF X \$0.18	\$3.24
DC Govt Stormwater Fee 10.80 ERU X \$2.67	\$28.84
Total Current Charges	\$588.64

TOTAL CURRENT BILL

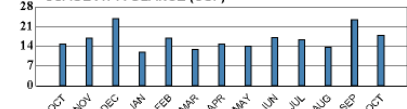
\$588.64

IMPORTANT MESSAGES

New rates went into effect October 1. This month's bill includes a line for the water used before October 1 (at the old rates) and another line for water used October 1 and after (at the new rates). To learn more about the rate change, visit our website at www.DCWater.com/approved-rates.

With paperless billing, you can receive and pay your bill online. Log into My DC Water for more information.

USAGE AT A GLANCE (CCF)



Please return the portion below with your payment to ensure proper credit to your account.



Make a SPLASH to help those in need pay their water bill

Enroll in recurring Round Up by logging into MyDCWater.com.

Account Number 1234567-1
Total Amount Due: 11/17/18 \$588.64
Amount Due After: 11/22/18 \$647.50
Amount Enclosed \$
Please allow time for your payment to reach us.

NONPROFIT ORGANIZATION
1234 4TH ST SE
WASHINGTON DC 20020

ENROLLED IN AUTO PAY
BALANCE WILL BE AUTOMATICALLY
DEDUCTED ON THE DUE DATE.

BUDGET SUPPORT ACT (BSA)

Directed the Mayor to establish a program to assist nonprofits with payment of their CRIAC. Per the BSA, to receive relief, nonprofits must:

1. Demonstrate hardship in paying the CRIAC
2. Implement a stormwater mitigation project
 - Install and maintain stormwater mitigation (or green infrastructure) on the site of the nonprofit, or implement an “alternative” stormwater mitigation measure in the District
 - Receive DOEE approval and complete project within one year
 - Organizations can receive approval for previously installed GI

LEGISLATIVE REQUIREMENT 1: FINANCIAL HARDSHIP



HARDSHIP – WHICH NONPROFITS QUALIFY?

The District examined the nonprofit real estate tax exemption categories for CRIAC ratepayers and determined hardship is most relevant for following types of organizations:

- E1 – Religious;
- E3 – Charitable; and
- E7 – Cemetery

HARDSHIP – COMPARING REVENUE TO CRIAC

- Financial hardship is established if CRIAC is at least 1.0% of revenue, after expenses:
 - E3 – Charitable organizations:
 - Verified with IRS Form 990
 - E-1 Religious & E7 – Most cemeteries:
 - Required to sign a declaration of revenue and expenses, consistent with IRS Form 990 (these properties do not file IRS Form 990)

EXAMPLE HARDSHIP CALCULATION

- Licensed Nonprofit with DCRA (with OTR E-1, E-3, or E-7 designation)
- 10.8 ERUs (or 10,800 sf of impervious area)
- Annual CRIAC: \$2,980.80 (10.8 ERUs x \$23.00 x 12 months)
- Annual revenue, which can include **\$125,375**
 - Donations and grants
 - Program service revenue
 - Investment income
 - Other income
- Annual expenses, which can include: **\$97,875**
 - Grants paid
 - Benefits paid
 - Salaries
 - Fundraising fees
 - Other expenses
- Annual revenue, after expenses of **\$27,500**

Annual CRIAC ÷ Revenue, after expenses x 100 = % devoted to CRIAC

\$2,980.80 ÷ \$27,500 x 100 = 10.8% (greater than 1.0%)



LEGISLATIVE REQUIREMENT 2: STORMWATER MITIGATION

OFFSITE STORMWATER MITIGATION

- 90% CRIAC rate relief for funding \$20 per ERU for green infrastructure on another property:
 1. Funding automatically withheld from relief; or
 2. Purchasing stormwater credits on the market

EXAMPLE OFFSITE STORMWATER MITIGATION CALCULATION

- 10.8 ERUs (or 10,800 sf of impervious area)
- Annual CRIAC: \$2,980.80
- Pay cost for green infrastructure on another property
 $10.8 \text{ ERUs} \times 10 \text{ Credits} \times \$2.04 \text{ (FY18 Avg. Sale Price)} = \220.32
- Net Relief: \$2,682.72 (90% relief) - \$220.32 (offsite cost) = **\$2,462.40**
or **82.6 % CRIAC Relief**

RATE RELIEF FOR AVERAGE NONPROFIT

CRIAC Relief for an Average Sized Nonprofit

	Billed ERUs	FY2019 CRIAC/ ERU	Annual CRIAC	Annual Relief (90%)	Annual Off-Site Mitigation Cost	Net Relief (83%)
Nonprofit Institution	10.8	\$23.00	\$2,981	\$2,683	\$20/ERU or \$220	\$2,462

*Figures rounded to the nearest dollar

Annual CRIAC Before Relief: \$2,981

Annual CRIAC After Relief: \$519

ONSITE STORMWATER MITIGATION

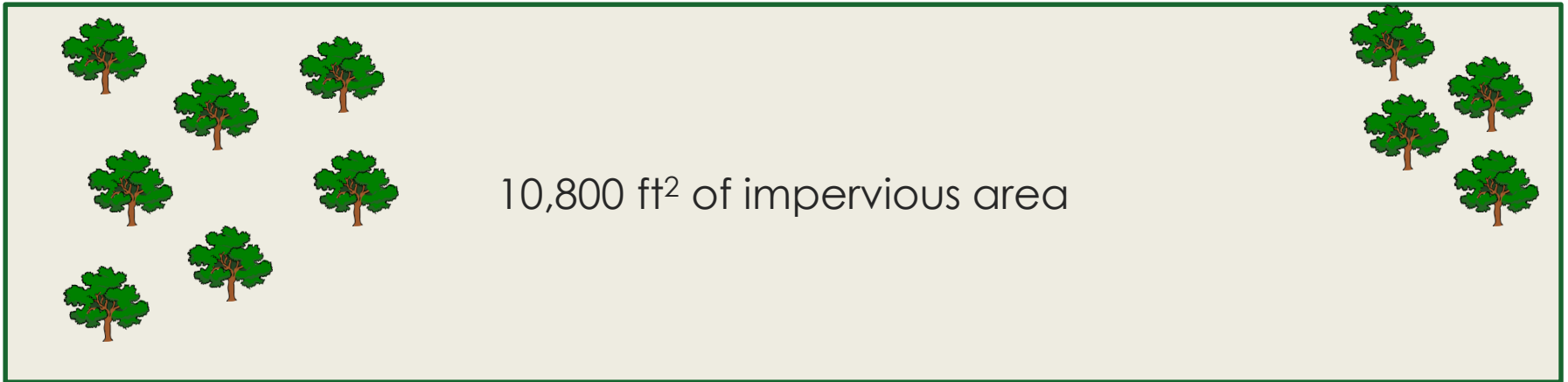
- 90% CRIAC rate relief for:
 1. Planting one tree per ERU; or
 2. Managing 10% of impervious area through installation of green infrastructure (GI) practices (Previously installed GI may qualify)



Left to right, tree planting, rain barrel, rain garden

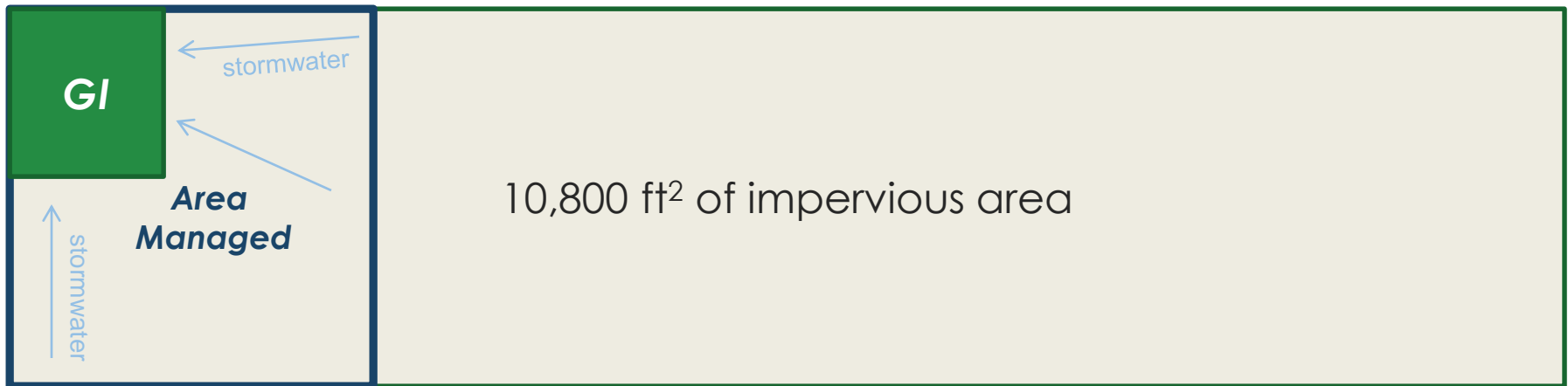
EXAMPLE ONSITE STORMWATER MITIGATION CALCULATION

- 10.8 ERUs (or 10,800 sf of impervious area)
- Annual CRIAC: \$2,980.80
- Onsite Mitigation Requirement
 - Plant 1 Tree per 1,000 sf of impervious area = 11 trees; or



EXAMPLE ONSITE STORMWATER MITIGATION CALCULATION

- 10.8 ERUs (or 10,800 sf of impervious area)
- Annual CRIAC: \$2,980.80
- Onsite Mitigation Requirement
 - Plant 1 Tree per 1,000 sf of impervious area = 11 trees; or
 - Manage 10% of impervious area = 1,080 sf managed



EXAMPLE ONSITE STORMWATER MITIGATION CALCULATION

- 10.8 ERUs (or 10,800 sf of impervious area)
- Annual CRIAC: \$2,980.80
- Onsite Mitigation Requirement
 - Plant 1 Tree per 1,000 sf of impervious area = 11 trees; or
 - Manage 10% of impervious area = 1,080 sf managed
- CRIAC Relief
 - Annual CRIAC: **\$2,980.80**
 - 90% Relief: **\$2,682.72**

Note: Onsite tree planting and green infrastructure installation has associated costs (\$\$\$, space, time):

- For example, 11 trees through DOEE programs would cost \approx \$550, resulting in net relief of: **\$2,682.72 - \$550.00 = \$2,132.72 (71.5% relief)**

CRIAC NONPROFIT RELIEF PROGRAM IMPLEMENTATION

- DOEE will determine financial eligibility, stormwater mitigation compliance, and approved relief amount
- DC Water will apply approved relief to water bills
- The District estimates:
 - \approx 1,300 eligible nonprofits; and
 - \approx \$3.4M in relief
- Focus Groups to provide feedback on draft program applications
- Application Process begins in January 1
- DOEE will offer Satellite Application Centers
 - One in each Ward at District Facilities
 - Office Hours at DOEE HQ

MORE INFORMATION

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(202) 741-0861

Program website (under development):
<http://doee.dc.gov/service/criacrelief>

