

Howard County Commercial Stormwater Solutions (CSS) Work Group

July 13, 2016

10:00AM – 12:00 pm

Attendees:

Presenter: Brian Van Wye (District Department of Energy and Environment)

Work Group: Mark Charles (presenter), Abby Glassberg, Carl Gutschick, Pete Mangione, Leonardo McClarty, Cole Schnorf, Mark Southerland (chair)

Staff: Lindsay DeMarzo (OCS – staff for the work group)

Guest: Larry Liebesman

Introductions

Mark Southerland opened the meeting at 10:20am by providing an overview of past meetings and welcoming guest Brian Van Wye from the District Department of Energy and Environment (DOEE).

Brian Van Wye - District Department of Energy and Environment

Brian provided an overview of the District of Columbia's (DC) stormwater program, noting that early efforts did not include stakeholders as much as they now believe they should have, resulting in an unsuccessful effort.

DC's draft MS4 permit came out in spring 2010 requiring retention of the 1.2" storm. In July 2013, regulations were finalized after intensive stakeholder involvement. Regulations focus on new construction that disturbs 5,000 square feet (SF) (requiring retention of 1.2" storm) and redevelopment with the same disturbance threshold that costs 50% of original value (requiring retention of 0.8" storm). These regulations allow up to 50% of retention to be achieved off-site and provide incentives for other properties to be used for mitigation banking. Background affecting the DC stormwater program is as follows:

- Harvested stormwater can be reused for specific purposes (this is different from graywater permitting)
- About 1% of DC is redeveloped each year and DOEE directly invests in stormwater controls on 10% of that area
- 20% treatment of untreated impervious surface requirement in the permit equates to 18 million SF
- Current permit cycle coming to a close this fall
- DC has a Combined Sewer System and underground storage tunnels and green stormwater infrastructure are being installed by the water authority (DC Water) to meet the consent decree

The situation in DC is that almost all of the development in DC is redevelopment, so the Stormwater Retention Credit (SRC) trading program leverages the need for redevelopers to control stormwater off site. Features of the SRC trading program to incentivize runoff-reducing green stormwater infrastructure include the following:

- Developers can go off-site for 50% of required retention
- Off-site volume retention is an annual obligation with two options:
 - Fee-in-lieu payment to DOEE of \$3.58/gallon/year
 - Privately tradable SRCs at 1 SRC/gallon/year (most recent transaction was \$1.90, so this is better option than fee-in-lieu payment)
- DOEE is sole SRC certifying authority
- Property owners can do a combination of fee, credits, and on-site retention
- DOEE will certify up to 3-years-worth of credits every 3 years. Credit generators can reapply for credits for another 3 years after inspection.
- Must maintain stormwater control for the period of SRC certification but not indefinitely. Programs in other jurisdictions provide permanent credits which may over- or under-value the useful life of the stormwater facility. This 3-year cycle of crediting is fairer across sites and leaves room for cost-effective innovation in the future.
- 4 eligibility requirements for certification
 - Retention must exceed pre-project detention, i.e., above 1.2” but capped at 1.7”
 - Stormwater control must be designed in accordance with DOEE technical guidance document and the facility plan must be reviewed and approved
 - Must be inspected during development
 - Must provide maintenance plan to prove ability to maintain over 3-year credit period
- Developers who buy credits are not required to maintain off-site stormwater facility, nor are they held to its performance, because the legal linkage is severed between the two parties. DOEE follows up and holds the credit generator responsible for maintenance.
- Fee-in-lieu rate is based on DC’s cost analysis for pilot projects, which took into account both expensive and less-expensive retention methods, program management, maintenance, land costs, etc.
- Properties voluntarily installing and selling credits get a much bigger monetary benefit by selling credits than they do from the stormwater fee discount they can receive
- DC properties pay both DOEE stormwater fee of \$2.67 per 1,000 SF and DC Water Impervious Area Charge (IAC) of about \$23 per 1,000 SF monthly (annual total of \$300 per 1,000 SF)
- DC sees trading as a way to maximize cost savings, increase retention, accelerate restoration of waterbodies, and spread aesthetic and social benefits to other neighborhoods (an equity and environmental justice consideration)
- Since smaller storms occur more often (90% of storms are less than 1.2”), using a combination of smaller retention facilities, both on-site and off-site (through the trading program), should result in the combination of facilities providing more retention and first-flush volume treatment than a single large facility (perhaps by 50%)

- Pay-for-performance approach is similar to a reverse auction that engages private market efficiencies, such as
 - Ongoing incentive for construction managers and property owners to look for cost-effective opportunities
 - Incentive to look for least-cost opportunities on public and private property
 - Incentives for innovations in stormwater control technology
- DOEE can manage the pace of stormwater control implementation with SRC purchases, i.e., DOEE will buy credits for the price needed to stimulate implementation. It is expected that credit generators will get a better price from a regulated site needing to buy credits, but DOEE provides assurance of the minimum price that they will receive for their credits.
- Only new green stormwater infrastructure projects within the roughly 2/3 of the city that drains without treatment to District waterbodies are eligible to see credits to DOEE under the new \$11.5 million Stormwater Retention Credit (SRC) Purchase Agreement Program.
- SRC program includes \$500,000 for outreach and technical work to identify stormwater sites and stimulate credit generators

Mark Charles - City of Rockville

Mark explained that the City of Rockville stormwater program dates back to 1978, however, their stormwater fee was established in 2007. Like DC, Rockville mostly sees redevelopment projects and stormwater projects associated with redevelopment. Maintenance is part of the stormwater requirement and if not performed by the property owner, the City performs maintenance and charges the property owner.

Their inventory of public stormwater facilities found that they have 800 facilities in their 13 square miles, of which 34% is impervious. Updates of inventories of public and private stormwater facilities occur every 2 years using aerial photos which also show changes in impervious area. Many of the stormwater facilities may have no or insufficient maintenance.

The Rockville stormwater fund consists of collections of the stormwater fee from properties in the city and monies drawn from the Rockville general fund. Nonprofits and schools also pay the fee.

An ERU (Equivalent Residential Unit) was established with 400 sample homes used to determine the average footprint. The current ERU fee is \$118 per year for 2,330 SF. The original ERU was \$40 and the rate has gone up each year (every single family home or townhouse pays 1 ERU, commercial fees are calculated by number of ERUs in their footprint). Mark noted that no one has complained or challenged the ERU or its increases. He describes the stormwater fee as comparable to sewer and water fees.

Rockville does offer a fee-in-lieu in the form of a one-time fee that is only applied if you have no room to install stormwater facilities on site. The property owner pays the cost of what it would have cost to install necessary stormwater facilities on their property. The current estimates for the fee-in-lieu are \$200 - \$300K per acre, which are noted in law and based on a variety of factors.

Rockville provides a credit program. A 100% credit is provided if a property can hold 100% of water for 100-year storm. The stormwater facilities receiving credit are included in the property deed as an easement. The average fee credit is typically 50%. Only 18 of the 20,000 parcels subject to the fee have applied for credit over the 10-year program.

Mark noted there are still many options for installing stormwater on public property in Rockville, including green streets and inlet filtration. Rockville plans to exhaust public options before exploring work on private property. Rockville owns wide buffers along its 30 miles of stream which afford opportunities for larger stormwater facilities, so less ESD has been implemented. Mark suggested that parking space requirements could be reduced to free space for stormwater facilities.

Strawman

Mark Southerland distributed a strawman document for the group to review in preparation for the next meeting that outlines possible recommendations and information for the final report due in September.

Closing

The meeting adjourned at 12:20 pm.