

Mission: To implement a comprehensive stormwater management program that balances the following goals: 1) to reduce the potential for stormwater threats to public health, safety, and property; 2) to reduce the impacts of new and existing urban development on Arlington streams, the Potomac River, and the Chesapeake Bay; and, 3) to comply with State and federal stormwater, water quality, and floodplain management regulations

STORMWATER MANAGEMENT PROGRAM OBJECTIVES

- Integrate traditional stormwater infrastructure needs with watershed management and environmental protection objectives and regulatory compliance requirements, including those of the County's Municipal Separate Storm Sewer System (MS4) permit, issued in June 2013 and scheduled for re-issuance in June 2018.
- Implement critical infrastructure and environmental quality projects consistent with the goals and strategies in the Stormwater Master Plan that was adopted as an element of the County's Comprehensive Plan in September 2014.
- Provide routine preventive maintenance of the County's stormwater infrastructure assets, as well as emergency repair or replacement actions when needed.
- Ensure the County's floodplains are managed in accordance with local, State, and Federal laws and regulations.

OVERALL PROGRAM SCOPE

Since the adoption of a dedicated funding source for stormwater management in April 2008, the Department has established a comprehensive Stormwater Management Program that ensures regulatory compliance for both County and private sector operations and activities; conducts education and training activities for employees, businesses, developers, and residents; monitors streams; responds to drainage complaints; systematically addresses severe flood risks with programmed capital projects; conducts rigorous floodplain management activities to ensure regulatory compliance, accuracy, and favorable flood insurance rates for residents; installs green infrastructure and stream, pond, and wetland restoration projects to improve environmental quality and meet the aggressive requirements for the cleanup of the Chesapeake Bay; and maintains both the traditional and green infrastructure assets of the program.

SIGNIFICANT BUDGET CHANGES

The FY 2019 adopted expenditure budget for the Stormwater Management Fund is \$10,680,660, a five percent increase from the FY 2018 adopted budget. The FY 2019 adopted budget reflects:

- ↑ Personnel increases due to the addition of a position that supports critical Stormwater Infrastructure program priorities, including managing the small drainage projects program (\$127,354, 1.0 FTE), transfer in of an Administrative Assistant position from the General Fund to the Stormwater Fund (\$62,686, 1.0 FTE), employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections.
- ↑ Non-personnel increases due to the transfer in of expenses from the General Fund for the street sweeping program (\$397,290), and contractual increases (\$91,182); partially offset by a reduction in other operating expenses including employee training (\$19,466), fuel (\$6,000), operating supplies and equipment (\$13,000), miscellaneous items (\$5,000), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$1,007).

- ↓ Capital program funding decreases due to an increase in the operating budget for personnel and non-personnel expenses (\$146,381).
- ↑ Revenue increases due to the increase in the CY 2018 real estate assessment tax base (\$78,500) and an increase in Sediment and Erosion Control Plan Revenue and Chesapeake Bay Fee Revenue (\$442,500). Of the total fee revenue increase, \$292,500 will be generated from a rate increase for erosion and sediment control and land disturbance fees.
- Due to the impact of the MS4 permit, the Chesapeake Bay Total Maximum Daily Load (TDML), transfer of stormwater related operating expenses from the General Fund to the Stormwater Management Fund (tree planting, street sweeping, maintenance of stormwater facilities in parks and at County buildings), and capital requirements, a review of funding options including a stormwater rate increase will be required in the next several years.

PROGRAM FINANCIAL SUMMARY

| | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted | % Change '18 to '19 |
|-------------------------------|----------------------|---------------------|---------------------|------------------------|
| Personnel | \$4,785,177 | \$4,834,889 | \$5,058,271 | 5% |
| Non-Personnel | 2,375,272 | 3,187,490 | 3,631,489 | 14% |
| Capital | 7,838,906 | 2,137,281 | 1,990,900 | -7% |
| Total Expenditures | 14,999,355 | 10,159,660 | 10,680,660 | 5% |
| Total Revenues | \$10,877,566 | \$10,159,660 | \$10,680,660 | 5% |
| Change in Fund Balance | (\$4,121,789) | - | - | |
| Permanent FTEs | 42.00 | 42.00 | 44.00 | |
| Temporary FTEs | - | - | - | |
| Total Authorized FTEs | 42.00 | 42.00 | 44.00 | |

CAPITAL PROGRAM SUMMARY

The current Sanitary District Tax of \$0.013 per \$100 of assessed real property value will not increase. For CY 2018, it is estimated to generate a total of \$9,688,160 in revenue, of which \$1,990,900 represents the portion of the annual revenue directed towards capital projects in the budget.

The capital revenue is divided evenly between the 'Environmental Quality' and 'Stormwater Infrastructure' capital programs. The upcoming Proposed Capital Improvement Plan (CIP) FY 2019 – FY 2028 will provide project level details and 10-year projections for each program.

The Virginia Department of Environmental Quality issued the County's current MS4 permit in June 2013. This permit is significantly more comprehensive than the previous permit and includes quantitative pollution reduction requirements for the Chesapeake Bay Total Maximum Daily Load (TMDL) — a pollution budget for the Bay. The Environmental Quality projects in the adopted CIP are key components of the County's strategy to comply with the pollution reduction requirements for the Chesapeake Bay TMDL. This permit is scheduled to be re-issued in June 2018.

Based on projects and programs implemented to date, Arlington County has already met the five percent Bay TMDL pollution reduction requirement for this permit cycle. The pollutant reductions already achieved include: nitrogen—7.3 percent; phosphorus—18 percent; and sediment—14.5 percent. It is important to exceed the 5 percent requirement during this permit cycle, to meet the full requirement in three permit cycles rather than following the progressively steep implementation

curve (5 percent, 35 percent, 60 percent). Of note, the Environmental Protection Agency (EPA) will be evaluating overall Chesapeake Bay restoration progress in 2018, and may amend current pollutant reduction requirements for local governments across Virginia and the Chesapeake Bay watershed to include greater reductions.

The Stormwater Infrastructure Capital Program implements the flood risk reduction and infrastructure maintenance priorities of the adopted Stormwater Master Plan and subsequent studies. This program also implements local drainage projects to address property-scale flooding.

Highlights of progress made by these capital programs are provided below.

Environmental Quality

- More than 30 watershed retrofit projects have been constructed, most recently including 11th Street Park, Northside leaf mulch facility, Patrick Henry Drive/20th Street North, John Marshall Drive, and North Kensington Street/32nd Street North.
- Four Mile Run tidal restoration project was completed in Fall 2017.
- Construction is currently underway for Williamsburg Boulevard median I and II watershed retrofit projects and Windy Run stream restoration project.
- Construction for the Donaldson Run Tributary B stream restoration project and Ballston Pond watershed retrofit project are expected in FY 2019 and FY 2020.
- Awarded innovative new contract that allows the County to purchase credits achieved through stormwater projects on private property.

Stormwater Infrastructure

- To address system capacity and flood risk issues, three projects installed 4,040 linear feet of large diameter storm sewer in the public right-of-way or public easements. They were started in FY 2017 and completed in FY 2018:
 - Sycamore at 24th Street North (construction completed December 2017).
 - West Little Pimmit Run (construction completed September 2017).
 - 9th Street North between North Liberty Street and North Livingston Street (construction completed August 2017).
- Woodmont Swale repair and stabilization (between the 2400 block of North Kenmore Street and the 2900 block of 24th Road North; currently under design, with construction anticipated in late FY 2018).
- Donaldson Run outfall and channel repair and stabilization at 24th Road North (currently under design, and construction of initial phase anticipated late FY 2018). Additional phases will be constructed in FY 2019.
- Installed 1,500 linear feet of small diameter storm sewers, which repaired existing storm sewers or addressed local drainage.
- Investigated approximately 130 drainage complaints.
- Completed repairs of several large diameter storm sewers in FY 2018.

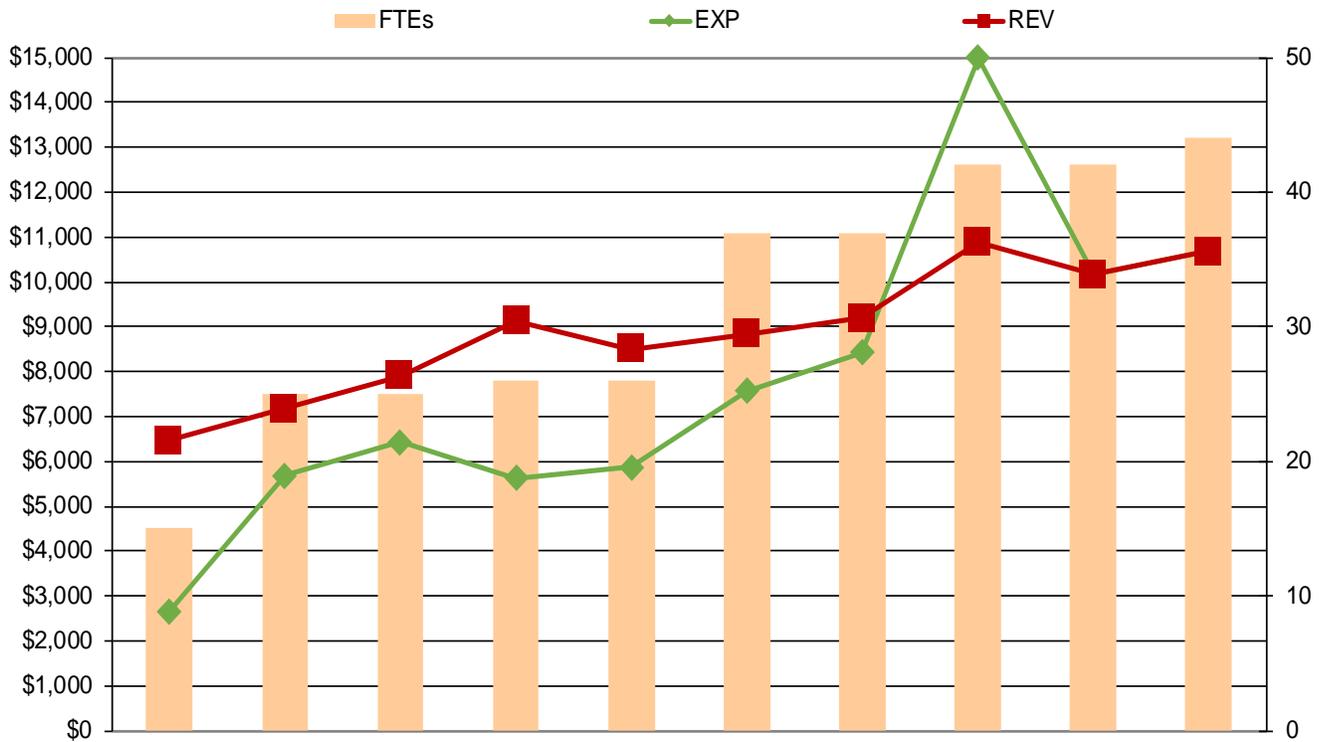
STORMWATER MANAGEMENT FUND
FUND STATEMENT

| | FY 2017 ACTUAL | FY 2018 ADOPTED | FY 2018 RE-ESTIMATE | FY 2019 ADOPTED |
|---|---------------------|---------------------|------------------------|---------------------|
| ADJUSTED BALANCE, JULY 1 | | | | |
| Reserve | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 |
| Capital Reserve | 20,604,730 | 15,044,966 | 16,482,941 | 13,021,404 |
| TOTAL BALANCE | 22,104,730 | 16,544,966 | 17,982,941 | 14,521,404 |
| REVENUE | | | | |
| Sanitary District Tax (\$0.013 real estate tax) | 9,276,016 | 9,609,660 | 9,609,660 | 9,688,160 |
| Grants | 1,143,567 | - | - | - |
| Fines & Fees | 457,983 | 550,000 | 550,000 | 992,500 |
| TOTAL REVENUE | 10,877,566 | 10,159,660 | 10,159,660 | 10,680,660 |
| TOTAL REVENUE & BALANCE | 32,982,296 | 26,704,626 | 28,142,601 | 25,202,064 |
| EXPENSES | | | | |
| Operating and Maintenance | 7,160,449 | 8,022,379 | 8,221,197 | 8,689,760 |
| Capital Projects | 7,838,906 | 2,137,281 | 5,400,000 | 1,990,900 |
| TOTAL EXPENSES | 14,999,355 | 10,159,660 | 13,621,197 | 10,680,660 |
| BALANCE, JUNE 30 | 17,982,941 | 16,544,966 | 14,521,404 | 14,521,404 |
| Reserve | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Capital Reserve | 16,482,941 | 15,044,966 | 13,021,404 | 13,021,404 |
| TOTAL BALANCE | \$17,982,941 | \$16,544,966 | \$14,521,404 | \$14,521,404 |

Notes:

- (1) The FY 2018 re-estimate is the current projection of expenses and revenues.
- (2) The change in Fund Balance from FY 2017 to FY 2018 re-estimate is due to anticipated expenditures and/or encumbrances of funds for ongoing capital projects.
- (3) The FY 2019 adopted capital projects expense represents a capital allocation for the FY 2019 budget. Actual capital project expenses are expected to be higher as the capital program is executed throughout the year. The difference will be funded through the Capital Reserve.

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



| \$ in 000s | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted Budget | FY 2019 Adopted Budget |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|------------------------|
| EXP | \$2,661 | \$5,685 | \$6,427 | \$5,627 | \$5,868 | \$7,557 | \$8,430 | \$14,999 | \$10,160 | \$10,681 |
| REV | \$6,458 | \$7,173 | \$7,896 | \$9,136 | \$8,492 | \$8,833 | \$9,185 | \$10,878 | \$10,160 | \$10,681 |
| FTEs | 15.00 | 25.00 | 25.00 | 26.00 | 26.00 | 37.00 | 37.00 | 42.00 | 42.00 | 44.00 |

- The Stormwater Management Fund was established by the County Board in CY 2008 by adopting a Sanitary District Tax of \$0.01 per \$100 of assessed real property value. In CY 2010, the Sanitary District tax rate was increased to \$0.013 per \$100 of assessed real property value.

| Fiscal Year | Description | FTEs |
|-------------|---|------|
| FY 2010 | <ul style="list-style-type: none"> ▪ Personnel budget includes the addition of 3.0 FTEs – a Planner, a Program Coordinator and a Construction Management Specialist. In addition, a Planner position (1.0 FTE) was transferred from the General Fund to the Stormwater Management Fund. ▪ Non-personnel operating expenses decrease due to the elimination of one-time costs that were included in the FY 2009 budget (\$414,883). | 4.0 |
| FY 2011 | <ul style="list-style-type: none"> ▪ The County Board adopted a \$0.003 tax increase (\$1,643,114) to the Stormwater Fund to cover the transfer of Stormwater costs in the General Fund to the Stormwater Fund. The increase in expenditures covers the General Fund related personnel and operating costs (10.0 FTEs, \$1,346,963) with the balance of expenditures being allocated to Stormwater Capital expenses and reserves (\$296,151). | 10.0 |
| FY 2012 | <ul style="list-style-type: none"> ▪ Non-personnel expenses increase to cover maintenance of stormwater quality retrofits (\$203,886). ▪ Funding for capital projects increases (\$335,837) as a result of a projected increase in revenue due to higher real estate assessments. ▪ Revenue increases due to higher real estate assessments (\$541,764). | |
| FY 2013 | <ul style="list-style-type: none"> ▪ Added an Environmental Planner to address the increased stormwater site plan reviews and workload related to the County's MS4 stormwater permit (\$107,537). ▪ Non-personnel expenses increase to cover maintenance for stream restoration projects (\$20,000), creation of a stream and storm sewer monitoring network (\$100,000), and an increase in the operating contingent (\$107,615). ▪ Funding for capital projects increases (\$45,556) as a result of a projected increase in revenue due to higher real estate assessments. ▪ Revenue increases due to higher real estate assessments (\$456,488). | 1.0 |
| FY 2014 | <ul style="list-style-type: none"> ▪ Non-personnel expenses increase based on higher contract costs anticipated with the new MS4 permit (\$89,726), an adjustment to the annual expense for the maintenance and replacement of County vehicles (\$6,019), funding the County's share of the Northern Virginia Regional Commission's work on Four Mile Run which was previously funded by the General Fund (\$60,156), higher administrative overhead contributions to the General Fund based on prior years' actual (\$100,000), and other changes itemized below. This is partially offset by a reduction in operating contingency (\$130,824). ▪ Funding for capital projects decrease (\$461,035) in FY 2014 as a result of higher operating expenses and transfer of projects previously supported in the General Fund. ▪ Revenues increase (\$2,000) due to a slight increase in the projected real estate assessments. | |

| Fiscal Year | Description | FTEs |
|-------------|--|------|
| | <ul style="list-style-type: none"> ▪ Increase Inter-Department Charges for the reimbursement to the General Fund for a portion of the street sweeping program costs (\$240,000). ▪ Transfer of the contribution to Arlingtonians for a Clean Environment (ACE) from the General Fund (\$69,705). | |
| FY 2015 | <ul style="list-style-type: none"> ▪ Added personnel for stormwater management regulations. The 11 positions are a critical foundational step for stormwater program delivery and compliance. ▪ Non-personnel increases primarily due to an increase in inter-departmental charges for overhead (\$60,364), operating expenses related to the new positions (\$67,643), and reimbursement of a portion of the street sweeping program costs (\$50,896), which is partially offset by an adjustment to the annual expense for maintenance and replacement of County vehicles (\$64,059). ▪ Funding for capital projects decrease (\$1,022,970) as a result of adding 11.0 FTEs and other personnel expense increases. ▪ Revenues increase due to a projected increase in real estate assessment values (\$569,200). | 11.0 |
| FY 2016 | <ul style="list-style-type: none"> ▪ Non-personnel increases primarily due to an increase in inter-departmental charges for overhead (\$20,714) and an adjustment to the annual expense for maintenance and replacement of County vehicles (\$89,070). ▪ Revenues increase due to a projected increase in real estate assessment values (\$450,750) and fees from site plan review (\$250,000). | |
| FY 2017 | <ul style="list-style-type: none"> ▪ Added personnel for stormwater management regulations. The five positions (\$628,983) are a critical foundational step for stormwater program delivery and compliance. ▪ Non-personnel increases due to the transfer of the responsibility of new tree planting from DPR to the Stormwater Management Fund (\$205,000). ▪ Revenues increase due to a projected increase in real estate assessment values (\$329,520) and fees from sediment/erosion control plan review (\$200,000). | 5.0 |
| FY 2018 | <ul style="list-style-type: none"> ▪ Elimination of one-time cost for purchase of a new vehicle in FY 2017 (\$24,100). ▪ Non-personnel increases due to the transfer of the responsibility of operating maintenance costs for DES and DRP stormwater facilities to the Stormwater Management Fund (\$265,130), an increase in operating supplies (\$60,331), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$8,776). ▪ Revenues increase due to a projected increase in real estate assessment values (\$258,190) and fees from sediment/erosion control plan review (\$100,000). | |

| Fiscal Year | Description | FTEs |
|--------------------|--|-------------|
| FY 2019 | <ul style="list-style-type: none">▪ Addition of a position that supports critical Stormwater Infrastructure program priorities, including managing the small drainage projects program (\$127,354).▪ Transfer in of an Administrative Assistant position from the General Fund to the Stormwater Fund (\$62,686).▪ Street sweeping expenses were transferred in from the DES General Fund to the Stormwater fund (\$397,290).▪ Increased contractual expenses (\$91,182), partially offset by a reduction in other operating expenses (\$44,473).▪ Capital program funding decreased due to an increase in the operating budget for personnel and non-personnel expenses (\$146,381).▪ Revenue increased due to the increase in the CY 2018 real estate assessment tax base (\$78,500) and an increase in Sediment and Erosion Control Plan Revenue and Chesapeake Bay Fee Revenue (\$442,500). | 2.0 |