



**TESTIMONY SUBMITTED ON BEHALF OF THE
STORMWATER INFRASTRUCTURE MATTERS (S.W.I.M.) COALITION**

Hearing before the New York City Water Board on the NYC Department of
Environmental Protection's proposed water rates for FY 2010-2011

Friday, May 7, 2010

Thank you for the opportunity to offer the following comments on behalf of the Stormwater Infrastructure Matters Coalition (S.W.I.M.) Coalition. S.W.I.M. is a coalition of more than 50 organizations, including community and environmental groups, environmental justice organizations, architects, water engineers, and community development corporations, that are dedicated to ensuring swimmable waters around New York City through natural, sustainable storm water management practices in our neighborhoods. We believe that this approach is fiscally responsible because it utilizes stormwater, currently viewed as waste, as a resource.

Coalition members have been following this annual rate-setting process closely, as it follows on the heels of DEP's Water and Sewer Rate Study, which examined various possible changes to the water rate structure. One recommendation of this study would include the creation of a separate stormwater charge. Such a charge could be used to more equitably allocate the estimated 10% to 20% of DEP's annual expenses that are attributable to stormwater management (including combined sewer overflow abatement) and create incentives for the use of sustainable "green infrastructure" approaches to stormwater management that, ultimately, will achieve cost-savings for DEP.

The S.W.I.M. Coalition is encouraged by the proposed Parking Lot Facility Pilot Program, which is included in DEP's FY 2010-2011 rate proposal, and would institute a stormwater fee for stand-alone, outdoor parking lots on parcels that do not have potable water hookup, basing the amount of the fee on the area of each lot. Under the current fee structure, these parking lots do not currently pay any water service charges to DEP, notwithstanding the burden that stormwater runoff from such large impervious surfaces adds to the sewer system. Clearly, certain "free riders" on NYC's sewer system will be captured by this stormwater charge. Critically, the proposed pilot program also includes a credit system; to be developed by the time the fee takes effect, to reduce the charge for property owners that install "green infrastructure" retrofits that retain stormwater onsite. The S.W.I.M. Coalition supports a collaborative and transparent approach to the development of this credit program.

We hope that feedback from the parking lot pilot will help determine how best to craft a citywide stormwater charge that covers DEP's stormwater costs, while encouraging sustainable stormwater management. The current rate structure, which generates revenues to cover nearly all of DEP's expenses (including those related to stormwater), charges customers based only on the amount of potable water used; that charge bears



no relation to the amount of stormwater runoff a given property actually discharges to the sewer system. Separating out from this fee structure a charge for stormwater based on the amount of impervious area on a property that drains to the city sewer system would distribute the costs more equitably. Properly structured, a separate stormwater fee would also provide an effective financial incentive to implement sustainable stormwater management techniques that capture and retain stormwater onsite. (We note, however, that the *Water and Sewer Rate Study* did not analyze the potentially huge cost savings that could accrue to DEP by using the new fee as an incentive for property owners to retain stormwater onsite, which would lessen DEP's costs of building and maintaining municipal stormwater management infrastructure).

We also encourage DEP and the Water Board to direct stormwater rate payments into green infrastructure retrofits on public property that will provide for the long term health of our city's infrastructure and urban ecosystems, while providing the maximum benefit to communities in the form of open space provision, cleaner, cooler air, and improved quality of local waterways.

In summary, we support the concept of a stormwater charge for New York City with several caveats – that the fee be paired with an efficient credit program to offer rate payers relief in exchange for on-site stormwater management, that the DEP offer clear instruction and economically feasible ways to obtain the credit, and that the revenues generated by the stormwater charge support the implementation of Green infrastructure in New York City.

The S.W.I.M. Coalition looks forward to an ongoing dialogue with the NYC Water Board and the DEP to address these issues.