


Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: November 27, 2012

SUBJECT: Fiscal Impact Statement – “Bloomingdale and LeDroit Park Backwater Valve and Sandbag Act of 2012”

REFERENCE: Bill 19-936 – Draft Committee Print shared with the Office of Revenue Analysis on November 19, 2012

Conclusion

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill is expected to cost \$4.48 million in FY 2013 and \$5.66 million over the four year financial plan.

Implementation of the bill is subject to its inclusion in an approved budget and financial plan.

Background

The bill requires the Mayor to establish a program to purchase and install backwater valves¹ in commercial and residential properties in the neighborhoods of Bloomingdale² and LeDroit Park³ (“Program”). The Program will fully pay for the costs of purchase and installation of backwater valves for all eligible businesses and residents. The Program should work with DC Water to establish eligibility criteria, which includes the number of times a property has been subjected to sewer-line backup damage, the potential for future damage, and the topography and elevation of the property.

¹ A backwater valve is one installed in a building drain or branch of the building drain that prevents the backflow of water and sewage into the building’s drainage system.

² Bloomingdale is roughly bounded by North Capitol Street on the East, Florida Avenue, NW on the South, 2nd St., NW on the West, and Channing St., NW on the North.

³ LeDroit Park is roughly bounded by 2nd St., NW on the East, Rhode Island and Florida Avenues, NW on the South, Georgia Avenue, NW on the West, and Bryant St., NW on the North.

The Program must establish an application, create a system for processing applications, and publicize the process to all residents and businesses in the two eligible neighborhoods. The Program must notify a property owner within 30 days if his or her property is deemed eligible for the purchase and installation of a backwater valve. Additionally, the Program must have an appeals process for those property owners who are deemed ineligible for assistance. Properties that are not compliant with Section P3008 of the 2006 International Residential Code or Section 715 of the 2006 International Plumbing Code are still eligible for assistance.⁴

In addition to the purchase and installation of backwater valves, the bill requires the Mayor to develop a clean-up plan for flooded areas and identify potential health hazards associated with flooding. Also, the Department of Public Works (DPW) must make sandbags available to residents and businesses in these neighborhoods and provide extra assistance to seniors and persons with disabilities.

Lastly, the Department of Transportation (DDOT) must conduct an analysis of Rhode Island Avenue to determine what structural changes can be made to mitigate flooding and to make a decision on when to shut down the roadway when heavy rains occur.

The Program will terminate on September 30, 2014.

Financial Plan Impact

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill is expected to cost \$4.48 million in FY 2013 and \$5.66 million over the four year financial plan. Implementation of the bill is subject to its inclusion in an approved budget and financial plan.

There are over 2,200 properties in the Bloomingdale and LeDroit Park neighborhoods. The Mayor does not have the expertise or personnel to install backwater valves in any properties that request assistance. Thus, it is expected the Mayor would hire an outside contractor to install the valves at a cost of roughly \$5,000⁵ per valve, excluding administrative costs required by any chosen vendor. If fifty percent⁶ of all properties in the affected areas request a valve, the total cost would be over \$5.5 million.

DPW has provided sandbags in preparation for extreme weather events in the past, but not for every expected heavy rain. DPW expects the cost to be approximately \$3,870 per rain event if it were to produce 1,000 sandbags per event. DPW would likely implement this provision by doing a one-time distribution of 20,000 sandbags to any homeowners and business owners in the affected areas up to 20 sandbags per household or business. The property owners would then store those

⁴ These building codes establish how and when backwater valves should be installed.

⁵ Attempts to get an estimate from a District based installer were unsuccessful as all those contacted would only provide an estimate upon inspection of the property. However, the New York City Department of Environmental Protection roughly estimates the cost to be \$3,000 to \$7,000 for very small buildings to mid-sized buildings.

⁶ It is reasonable to assume many homes or business already have valves since a only a small number of property owners have requested backwater valve installation cost reimbursements through DC Water's current program (implemented in mid-August 2012). It is important to note that DC Water's program does not cover 100 percent of the costs.

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FIS: Bill 19-936, "Bloomington and LeDroit Park Backwater Valve and Sandbag Act of 2012," Draft Committee Print shared with the Office of Revenue Analysis on November 19, 2012

sandbags for the entire season and use as needed. It would cost over \$75,000 to implement this strategy. Additionally, DPW would expect to implement a delivery process by utilizing the 3-1-1 Call Center to receive requests. The Office of Revenue Analysis is unable to predict how many requests would be received, but labor costs for a four person crew delivering sandbags for a full day is approximately \$720.⁷ DPW is unable to absorb these costs within its existing budget.

DDOT has already completed an assessment of Rhode Island Avenue and there are no additional costs associated with implementation of this provision.

Estimated Costs of Bill 19-936 FY 2013 – FY 2016					
	FY 2013	FY 2014	FY 2015^d	FY 2016^d	Total
Installation of Backwater Valves ^a	\$4,400,000	\$1,100,000	\$0	\$0	\$5,500,000 ^e
DPW Annual Sandbag Distribution ^b	\$77,400	\$77,400	\$0	\$0	\$154,800
DPW Sandbag Deliveries ^c	\$3,600	\$3,600	\$0	\$0	\$7,200
Total	\$4,481,000	\$1,181,000	\$0	\$0	\$5,662,000

Table Notes

^a Assumes 80 percent will be installed in FY 2013 and 20 percent in FY 2014.

^b DPW will likely distribute 20,000 sandbags each year as old one are used and discarded.

^c Assumes 5 days per year of sandbag deliveries.

^d The bill expires on September 30, 2014.

^e This figure excludes any administrative costs required by a vendor. Those would increase this cost.

⁷ This cost also includes one supervisor and assumes an eight hour day.