

# DC Flood Task Force | Action Team Meeting: Residential Resilience



## Residential Resilience Action Team Meeting Minutes January 11, 2022 | 2:30 pm – 4:00 pm WebEx Meeting

Meeting began at 3:01 pm with the following members, agencies, and support staff in attendance.

### **Attending Voting Members and Support Staff**

Deputy Mayor for Operations and Infrastructure (DMOI)

1. Alan Propp
2. Robert Preston

District of Columbia Water and Sewer Authority (DC Water)

1. Salil Kharkar
2. Barbara Mitchell
3. Apera Nwora
4. Kisha Powell

District of Columbia Department of Energy and Environment (DOEE) –

1. Nick Bonard
2. Meredith Upchurch
3. Martin Koch

District of Columbia Homeland Security and Emergency Management Agency (HSEMA)

1. Vermechia Alsop
2. Carolyn Mejia

District Department of Transportation (DDOT)

1. Johnathan Rogers

District of Columbia Office of Planning (OP)

1. Stephen Gyor
2. Andrea Limauro
3. Timothy Maher

DC Office of Risk Management (ORM)

1. Jane Waters
2. Jed Ross

DC Department of Housing and Community Development (DHCD)

1. Richard Livingstone
2. Danilo Pelletiere

District of Columbia Department of Insurance, Securities, and Banking (DISB)

1. Philip Barlow
2. Philip Edmonds
3. Angela King
- Patrice Garnette

District Consumer and Regulatory Affairs (DCRA)

1. Chris Bailey

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## Attending Consulting Members and Support Staff

District of Columbia Director of the Office of Racial Equity (ORE)

1. Amber Hewitt

DC Office of the People's Counsel (OPC)

1. Grace Soderberg
2. Stephen Dudek
3. Karen Sistrunk
4. Yohannes Mariam

Federal Emergency Management Agency Region III (FEMA)

1. Maggie Dunn

District of Columbia Building Industry Association (DCBIA)

1. Cellerino Bernardino

Metropolitan Washington Council of Governments (MWCOG)

1. Steve Bieber

## Facilitators

1. Monte Monash
2. Adria Anderson

## Additional Attendees

1. Lily Cheng

## 2: 34 pm | Welcome

Facilitator Monte Monash welcomed everyone back to the second Residential Resilience Action Team Meeting. She shared a summary of the Task Force meeting, shared where the team was in terms of the yearly meetings, and gave an overview of the goals for January's Action Team meeting.

Today's meeting focuses on:

- Discuss Benefit-Effort Matrix and Action Plan,
- Prepare to report Action Team progress in Full Task Force meeting Jan 19<sup>th</sup>

## 2: 39 pm | Action Ideas and Categorization

Co-Chair Supporting Staff of DC Water, Salil Kharkar, introduced and explained the Benefit-Effort Matrix identifying *Quick Wins*, *Win-Wins*, *Big Bets*, and *Spinning Wheels* as a means to consider the effort and impact Action Plans/Ideas would need, in order to properly prioritize Action Ideas during the discussion.

He delivered a brief overview of the Idea Categorization matrix and the List of Action Ideas and stated the categorizations were drafts. He explained the goal for the discussion is for the team to analyze the full List of [Project Category] Action Ideas based on the four criteria outlined in the Idea Categorization matrix. It was explained that the categories displayed in the draft chart are not final and that the Category leads seek input from the Action Team members. Filling out the color categories is not an end goal for today but simply the beginning of the conversation.

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Action Category leads facilitated a discussion on each of the four Action Categories listed below.

## 1) Flood and Sewer Line Backup Insurance

Lead: Phillip Edmonds and Phillip Barlow (DISB)

Discussion topics and findings:

- “Community Insurance Product” (1.1) and “Parametric Insurance Product” (1.2) actions have different time components
- Current categorization of insurance options is not based on actual studies, and categories should be updated if further info is available.
- Both parametric and community insurance options are complex for different reasons. The parametric is complex because it is novel, while the community option is complex because the District would have to create legislation and a new program to implement it.
- There may require legislation to create a framework for a parametric insurance option, and legislation may also be required for a community insurance option. Another challenge for a local flood insurance option would be incentivizing insurers to create the necessary financial products. The hope is for insurers to find such products to be reasonable and profitable, but any goal requiring the creation of a novel type of insurance is highly complex and long-term.
- Both options are worth exploring and could have transformational value if implemented successfully, but [the Action Team] should be mindful of their high benefit/high effort nature.
- An important planning question is how to create boundaries for who should receive a service. The first 24 hours after a flood is especially important for drying out a home; if residents know that funding is available, they can obtain that service readily within that timeframe.
- The first step in creating a parametric insurance system would be to evaluate existing laws. Parametric policies trigger claim payouts based on a specific event and used crop insurance as an example of a successful application of parametric policies (such policies pay a claim if the amount of rainfall is below a certain threshold). The parametric must be well-designed to only pay out losses when the trigger is met, which is especially challenging for a small area (i.e. an individual home or business). The parametric system can facilitate quicker payments than a standard policy but only if the trigger is properly set.
- It was asked which insurance option (1.1 vs. 1.2) would be easier. Phillip responded by stating that the current categorization is reasonable, but a change in the color for “Community Insurance Product” to orange should occur to represent a more significant timeframe. Additionally, the Resilience Outcome rating for both products should be changed to emphasize the fact that insurance rewards mitigation by providing discounts for policyholders that take action to avoid loss. (For instance, homeowners’ policies are cheaper for properties with fire extinguishers).
- Levees and other mitigation measures can prevent flooding to a degree, but if flooding exceeds the capacity of mitigation measures, then cleanup services will still be necessary.
- It was recommended that DC Water discuss the experience with cleanup/remediation funding with DISB to explore the parametric insurance product further. Specifically, since they [DC Water] have data that supports that some residents needed assistance outside of the flooding and/or sewer line back up insurance.
- ORM is the only party authorized to buy insurance on behalf of the District. The community and parametric options would both require legislation and appropriate authority. ORM currently

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administers a captive and that if ORM was to administer a parametric product, it would need very specific authority and financial guidelines. Typically claim payments go to the DC general fund, so strict guidelines would be needed for any alternative system for dispersal of funds.

- DISB buying insurance would present a conflict of interest because of their role as regulators. It was clarified that DISB would not buy insurance directly, as the insurance product could be purchased by private parties.

It was noted that defining the benefits and values of each option has been difficult. When asking if benefits and values should be calculated based on the effectiveness of each option at reducing damage if a flood does occur or reducing the likelihood of flooding altogether, there was another note that an insurance policy cannot stop a flood, but it can indirectly motivate actions that reduce risk.

## 2) Repairing Flood Damage in Low-Income Homes and Neighborhoods

Lead: Vermechia Alsop (HSEMA)

- From initial review, this category would require multiple agencies. More clarity was needed on the scale of benefit and whether it would be focused on the 100-year and 500-year floodplains. Some flooding (i.e. that which occurred on 9/10) impacts neighborhoods outside of the designated floodplain. For instance, out of the 5-6 neighborhoods that were impacted on 9/10, only 1 was in the designated floodplain. It was agreed that interior flooding impacts many homes outside of the floodplain. For example, on 9/10, LeDroit Park (which experienced flooding in 2012) and Deanwood/Watts Branch (which is in the 100-year floodplain) was impacted. However, the four other neighborhoods that experienced flooding were not previously known as flood prone areas.
- The team should give greater weight to measures that specifically benefit vulnerable populations because that is a priority of the Task Force.
- Should more sub-actions that should be added for Categories 2 and 3.
- Suggest the team coordinate with DCRA to create a permit support process that would complement the program to repair homes after floods by helping LMI homeowners obtain necessary approvals.
- Does DC Water's cleanup program provide cash only or any other support?
  - DC Water had a contractor engaged and discovered that the initial amount allocated for cleanup did not always completely remediate the damage at each home. The District should provide education on flood damage prevention to help ensure the adequacy of provided funding. For instance, a fully finished basement will cost more to repair than an unfinished one.
- OPC received many complaints after 9/10. Many members of the public thought that DC Water would provide enough funding to completely fix the damage. Consumer education is important to empower residents with mitigation knowledge.

## 3) Flood Proofing of Individual Homes and Facilities

Lead: Nick Bonard (DOEE)

- Initial funding for the local insurance system may need to come from premiums, seed funding from the DC budget, or grants. The product may need additional support from District budget in the event of major losses. A decision would need to be made regarding whether the program would be self-funded by premiums or fully funded by District government. Each category would

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need specific funding considerations to see which will provide best value for the taxpayer. The team can brainstorm possible funding sources, but that the Task Force is best positioned to interface with the city budget.

- Will additional data be available in the future regarding floodprone areas?
- The Integrated Flood Model (IFM) will show interior flood areas.
  - Can the results of the IFM would be used for the local insurance program? The flood data matters for setting premiums, as a risk pool that covers the entire District with varied flood risk will have a different premium that one comprised of only floodprone properties.
- A decision would need to be made regarding whether the insurance program should be deployed Districtwide or only in specific areas. The FEMA-designated floodplains do not adequately address the full scope of flood risk in DC, but updated information will help inform decision-making.

## 4) Sewer Line Backups and Backwater Valve

Lead: Salil Kharkar (DC Water)

- Helping the design community (engineers, architects, builders, etc.) understand compliance requirements would support 4.1.1. Many such professionals are working for a building owner and the owner may not be aware of requirements. It is important to provide education to design professionals prior to the inspection/enforcement stage of a project, as proactive education can reduce the burden on DCRA. This could be an options for a BWV requirement.
- Renters may not know about needed levels of protection. What kind of coalitions will be needed to implement measures?
- The Construction Codes Coordinating Board is appointed by the Mayor and reviews all changes to Construction Codes in DCMR 12; the review process can be complex and lengthy. Codes are different from policies/practices and that DCRA had administrative authority to interpret the Construction Codes. Changing procedures is simpler and quicker than changing building codes.
- Could there be an insurance premium reduction for homes with BWVs, as it could incentivize installation. There is a need to consider incentives for other mitigation measures as well (i.e. Could a parametric policy provide a funding source for such measures?).
  - Category 2 actions generally involve making repairs after damage, while Category 3 actions generally involve measures meant to avoid damage in the first place.
- Some items under the insurance section are related to property retrofits and that there is a heavy dependency between these items
- Things to consider - Reimbursement vs. remediation, Good protection or legally required?

## 3: 48 pm | Preview of January 19<sup>th</sup> Meeting

Flood Task Force Staff of DOEE, Meredith Upchurch discussed the expectations of the Action Team members to report out progress in the upcoming Full Task Force Meeting. She also invited any agencies requesting support from the Flood Task Force to share with group. Flood Task Force Staff of DC Water, Apera Nwora, shared the plans to have three Public Listening Session meetings during March to allow the Task Force to listen to the public's concern and input on the Flood Task Force actions and progress.

## 3: 56 pm | Closeout

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Homework for each agency was communicated with the documentation to be submitted by January 28, 2022.

## Important Dates

- Next Task Force meeting – January 19, 2022, 2 – 4 PM
- Homework submission due January 28, 2022
- Next Residential Resilience Action Team meeting – February 8, 2022, 2:30 – 4 pm

**The meeting ENDED at 3:57 pm.**