



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement

Council Resolution No. X-2023: A RESOLUTION approving a Financial Assurance Plan for Howard County's National Pollutant Discharge Elimination System, Municipal Separate Storm Sewer System permit programs, in accordance with Section 4-202.1 of the Environmental Article of the Annotated Code of Maryland

To: Brandee Ganz,
Chief Administrative Officer

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Brandee Ganz
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From: Yosef Kebede, Director
Department of Public Works

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Date: May 18, 2023

The Department of Public Works has been designated coordinator to prepare testimony for CR-XX-2023. In accordance with the Environment Articles of the Annotated Code of Maryland and under the National Pollutant Discharge Elimination System (NPDES) permit, a Municipal Separate Storm Sewer System (MS4) permit was issued to Howard County on December 18, 2014. The permit mandated that the County implement restoration efforts for 20% of its total impervious surface to the maximum extent practicable by December 17, 2019.

As part of the impervious area accounting and restoration process, the Maryland Department of the Environment (MDE) allowed the county to periodically update and refine the impervious area baseline for consideration during the permit term. MDE acknowledged the untreated impervious area baseline for Howard County was 11,020 acres. Applying the 20% factor to the untreated area yielded a restoration target of 2,204 acres. At the close of the permit in December of 2019, Howard County exceeded the State requirement by treating 2,208 acres.

Since January 2020, the County's permit has been in an administrative continuance. However, we received our new 5-year permit on December 22, 2022, covering the period through 2027. The new impervious acre restoration goal is 1,345 acres.

State law requires the County to approve and file a Financial Assurance Plan (Plan) with MDE every two years. The Plan must describe the actions, revenues, and costs required to meet the prescribed restoration requirement. Furthermore, state law requires the county demonstrate it has sufficient funding in the current fiscal year and subsequent fiscal year budgets to meet its estimated cost for the 2-year period immediately following the filing date of the Plan (2022). Finally, the law requires the County Executive certify that a public hearing was held on the Plan and that the local governing body approved the Plan.

Fiscal Analysis:

Howard County implemented a stormwater utility fee, the Watershed Protection and Restoration Fee (WPRF), on July 1, 2013, as required by State law. Upon implementation of the Fee and the Watershed Protection and Restoration Fund, the County increased efforts to plan, design, construct and monitor restoration projects necessary to meet the past, current and future NPDES MS4 permit restoration goals.

The County continues to implement the numerous programs required by the MS4 permit. Best management practices (BMPs) will continue to be utilized to complete the restoration work and improve water quality,

including outfall stabilization, tree planting, construction of new BMPs, retrofitting existing BMPs, stream restoration, street sweeping, inlet cleaning, and septic system upgrades, pump-outs, and connections to the sanitary sewer system. The County also continues to research and develop the voluminous electronic data necessary to meet the ever-expanding Geodatabase reporting requirements of the MS4 permit.

The County will use the following revenue sources for FY 2023 and FY 2024 in funding the costs of the MS4 permit over the next two fiscal years:

Watershed Protection and Restoration Fee- The County currently collects approximately \$10.8 million from the Watershed Protection and Restoration Fee and utilizes this Fund to absorb a portion of the operating costs in administering stormwater restoration projects and to provide debt service for General Obligation or Stormwater Bonds issued to fund the stormwater restoration projects.

Grants- The County typically receives funding from various State and Federal grant programs to conduct stormwater restoration work. There is also the potential to work with private entities in conducting stormwater restoration work.

Stormwater Bonds – The County will issue stormwater bonds to fund necessary stormwater restoration projects required by the MS4 permit

General Fund- The County will utilize its General Fund to absorb a portion of the operating costs in administering stormwater restoration projects.

General Obligation Bonds- The County will issue General Obligation Bonds, if necessary, to fund necessary stormwater restoration projects required by the MS4 permit.