



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement

Council Resolution No. 61-2025: 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 Environment Article of the Annotated Code of Maryland

To: Brandee Ganz,
Chief Administrative Officer

From: Yosef Kebede, Director
Department of Public Works

Signed by:

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Date: February 13, 2025

The Department of Public Works has been designated coordinator to prepare testimony for CR-61-2025. 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 22, 2022, covering the five-year period through December 29, 2027. Under Part IV. Standard Permit Conditions, Section E. Stormwater Restoration, the NPDES MS4 Permit requires, "by December 29, 2027, Howard County shall commence and complete the restoration of 1,345 impervious acres that have not been treated to the MEP [maximum extent practicable] by implementing stormwater BMPs [best management practices], programmatic initiatives, or alternative control practices in accordance with the 2021 Accounting Guidance."

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 (2024). Finally, the law requires the County Executive certify that a public hearing was held on the Plan and that the local governing body, County Council, 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. 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 stabilization, 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 2025 and FY 2026 in funding the costs of the impervious surface area restoration requirement of MS4 permit over the next two fiscal years:

Watershed Protection and Restoration Fee- The County plans to allocate \$8 million in FY25 and FY26 from the Watershed Protection and Restoration 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. Only State grants are accounted for in FY25 and FY26.

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

General Fund- The County has utilized its General Fund to absorb a portion of the operating costs in administering stormwater restoration projects in the past. No General Funds are projected to be allocated toward meeting the impervious surface area restoration requirement in FY25 and FY26.

General Obligation Bonds- The County has issued General Obligation Bonds, if necessary, to fund necessary stormwater restoration projects required by the MS4 permit in the past. No General Obligation Bonds are projected to be allocated toward meeting the impervious surface area restoration requirement in FY25 and FY26.