

T&E COMMITTEE #2
April 28, 2010

Worksession

MEMORANDUM

April 26, 2010

TO: Transportation, Infrastructure, Energy & Environment (T&E) Committee

FROM: *KL* Keith Levchenko, Senior Legislative Analyst

SUBJECT: **Worksession: FY11 Operating Budget: Department of Environmental Protection (DEP) and FY11 Water Quality Protection Charge Rate Resolution**

Council Staff Recommendation: Approve the DEP General Fund, Grant Fund, and Water Quality Protection Fund budgets and the Water Quality Protection Charge rate resolution as recommended by the County Executive.

NOTE: DEP-Solid Waste Services is reviewed separately (T&E #1). Also, the Climate Change Implementation NDA is reviewed as T&E #3.

The Executive's recommendation for DEP is attached on ©1-10. The following officials and staff are expected to attend the worksession:

- Robert Hoyt, Director, Department of Environmental Protection (DEP)
- Stan Edwards, Chief of Environmental Policy and Compliance, DEP
- Steven Shofar, Chief of Watershed Management, DEP
- Meosotis Curtis, Watershed Management, DEP
- Amy Stevens, Watershed Management, DEP
- Gladys Balderrama, Manager, Administrative Services, DEP
- Jacqueline Carter, Manager, Office of Management and Budget (OMB)
- John Greiner, Senior Management and Budget Specialist, OMB

Department Structure

Not counting Solid Waste Services (which is reviewed separately) DEP is organized into three broad program areas. These programs are summarized below:

- **Watershed Management**
 - Watershed-based monitoring, planning, policy development, and project implementation activities (including NPDES-MS4 permit compliance)

- Stormwater Facility Maintenance
- **Environmental Policy and Compliance**
 - Development and implementation of scientifically-based programs in areas such as climate protection, energy conservation, air quality, noise abatement, forest and tree resources, and surface and groundwater quality
 - Environmental monitoring of solid waste facilities
 - Enforcement of environmental laws in areas such as noise, pollution, air, and water quality
- **Director's Office**
 - Overall management and administration to the department including finance, automation, personnel issues, and other areas
 - Policy development and leadership for all programs
 - Centrally coordinated public education element
 - Water and wastewater management and coordination

For this budget review, an overview of DEP (not including Solid Waste Services) is presented first. More detailed discussion is presented by fund (General Fund and Grant Fund followed by the Water Quality Protection Fund) later in this memorandum.

Department Overview

For FY11, the Executive recommends total expenditures of \$12,374,440 for the Department of Environmental Protection, a 3.9% increase from the FY10 Approved Budget. These numbers include expenditures in the General Fund, the Water Quality Protection Fund, and the Grant Fund (but not Solid Waste Services which is reviewed in a separate memorandum) as presented in the following chart:

**Table #1
DEP Expenditures and Positions/Workyears**

All Funds	Actual	Approved	CE Rec	Change FY10-FY11	
	FY09	FY10	FY11	\$\$\$	%
Personnel Costs	5,013,955	5,498,600	5,546,650	48,050	0.9%
Operating Expenses	5,539,337	6,411,210	6,799,790	388,580	6.1%
Capital Outlay	25,306	-	28,000	28,000	n/a
Total	10,578,598	11,909,810	12,374,440	464,630	3.9%
Full-Time Positions	60	63	70	7	11.1%
Part-Time Positions	5	3	2	-1	n/a
Workyears	51.0	52.1	51.5	(0.6)	-1.2%

The FY11 budget includes charges of \$1,338,630 and 12.4 workyears to the CIP not shown above. DEP also continues to charge about 5.2 workyears to the Solid Waste Disposal Fund for environmental monitoring activities of the Gude and Oaks closed landfills.

Position Changes

The Executive recommends a net increase of 7 full-time positions and a net decrease of 1 part-time position across all funds (including the CIP). Excluding the CIP positions (previously discussed as part of the Stormwater Management CIP), the following chart presents the position changes assumed in the Operating Budget across both the General Fund and the Water Quality Protection Fund.

**Table 2:
Position Changes in DEP Operating Budget**

	FY11 Costs	WYs	Comments
New Positions			
			WQPF: Shift of work from DGS to DEP offset
Program Manager II	112,020	1.0	by reduction in chargeback
Inspector	105,520	0.8	WQPF: For below ground maintenance
GIS Technician	60,930	0.8	WQPF: MS4 Permit reporting data
Public Admin Intern	56,870	0.8	WQPF: To support MS4 studies
Abolished Positions			
Planning Specialist III	102,970	1.0	Water and Sewer Plan support reduced
Program Specialist II (P/T)	36,160	0.5	Forest Conservation Program support reduced

The FY11 DEP budget includes the creation of 3 new positions related to DEP’s ramp up work related to the new NPDES-MS4 permit (all are funded out of the Water Quality Protection Fund). One position is shifted from the Department of General Services (DGS). The costs were previously included in the DEP budget as a chargeback to DGS. For FY11, one position associated with the chargeback is assumed to move into the DEP budget.

The General Fund portion of the DEP budget shows two position abolishments (one full-time and one part-time). In both cases, the associated work will continue to be done by existing staff.

- Planning Specialist III: While DEP is working on a comprehensive revision to the Water and Sewer Plan, there is much less activity with regard to water and sewer category change requests (probably as a result of economic conditions). DEP believes it can manage the existing workload with one dedicated position (a Senior Planner) rather than two positions.
- Program Specialist (P/T): DEP currently has two part-time positions dedicated to forest conservation program activities. This part-time position became vacant during FY10, and DEP held the position vacant to meet its savings plan needs. The position is now recommended for abolishment for fiscal reasons as well. The remaining position (The Forest Conservation Coordinator), while remaining part-time, has been increased from .8 to .9 workyears to partially offset this reduction.

Lapse

DEP’s lapse for FY11 is recommended to remain unchanged at \$189,854 which represents approximately 2.4% of personnel costs. This does not include a built-in lapse rate of .2 workyears

assumed for each of the new positions. Based on past reviews, a 2% to 3% lapse rate appears reasonable for a department such as DEP.

As of now, DEP has 3 vacant positions and the lapse from these positions is helping DEP meet its FY10 savings target.

General Fund Budget

Overview

As shown on Table #3, for FY11, General Fund expenditures in the DEP budget are recommended to drop \$1.08 million (about 36%). More than half of this reduction is a result of the shifting of about \$624,000 in costs previously included in the General Fund portion of the budget to the Water Quality Protection Fund, Solid Waste Fund, and/or Grant Fund. Apart from these shifts, the DEP General Fund budget is still seeing a reduction of about 19%. Most of these reductions are achieved through the abolishment of two positions (one full-time and one part-time) and the elimination of a substantial amount of operating expenses; most identified as not having service impacts.

**Table #3
DEP Expenditures and Positions/Workyears**

General fund	Actual	Approved	CE Rec	Change FY10-FY11	
	FY09	FY10	FY11	\$\$\$	%
Personnel Costs	3,370,265	2,191,690	1,471,240	(720,450)	-32.9%
Operating Expenses	641,961	822,270	465,220	(357,050)	-43.4%
Capital Outlay		-	-	-	-
Total	4,012,226	3,013,960	1,936,460	(1,077,500)	-35.8%
Full-Time Positions	45	43	42	(1)	-2.3%
Part-Time Positions	4	2	1	(1)	-50.0%
Workyears	33.9	19.3	11.6	(7.7)	-39.9%

Summary Crosswalk from FY10 to FY11

The FY11 CE recommendation within the DEP General Fund Budget includes a decrease of \$1.08 million. A crosswalk of all major expenditure changes is included in the Recommended Budget (see ©7). As mentioned earlier, the shift of \$624,000 in costs to the Water Quality Protection Fund represents more than half of this change. However, there are a number of other adjustments as noted in Table #4 below:

**Table #4
DEP General Fund Budget Changes**

Technical Adjustments	
Salary and Benefit Adjustments and Annualizations	41,640
Adjust motor pool rates, printing and mail, and central duplicating rates	(23,660)
Subtotal - Technical Adjustments	17,980
Shifts	
Shift personnel costs to the ARRA Grant Fund	(162,980)
Shift personnel costs to the Solid Waste Services Fund (Administration)	(9,620)
Shift charges to Water Quality Protection Fund (WQPF) (Administration)	(451,370)
Subtotal - Shifts	(623,970)
Cost Reductions	
Decrease Operating Expenses (Admin, Watershed Manage. & Env Policy & Compliance)	(120,770)
Abolish Forest Conservation Position, increase P/T position (Env Policy & Compliance)	(25,380)
Abolish Planning Specialist III position for Water and Sewer Plan Reviews	(102,970)
Furlough Savings	(47,130)
Reduction in Gypsy Moth Suppression Costs	(47,000)
Reduce COG Contribution for Trash Treaty and Other Dues	(62,700)
Subtotal - Cost Reductions	(405,950)
Service Changes	
Reduce Professional Services, including Green Business Certification	(65,560)
Total Recommended Changes from FY09	(1,077,500)

Table #4 highlights that the General Fund portion of the budget (even accounting for the shifts to other Funds) is still being substantially reduced. While some of the adjustments are technical in nature, there are some significant changes (in addition to the position changes previously discussed) which are noted in more detail below.

Operating Expense Reductions

In order to meet its FY10 savings plan target, DEP reduced its assumed operating expenses across the board for FY10. These reductions are continuing in FY11 where operating expenses are down 43 percent (from the FY10 Approved Budget of \$822,000) to \$465,000.

Of the recommended \$465,000 amount, over 60% of these dollars (\$286,000) are for the final year of a three year start-up grant to the Maryland Clean Energy Center.

Reductions were made across many categories including: services and contracts, communications, printing and central duplicating, mail, motor pool, travel, education and training, advertising, dues, office supplies, and numerous other categories.

Some of the more prominent reductions and remaining expenditures are described in more detail below.

Green Business Certification Program

The Green Business certification program is intended to recognize and publicize businesses that are meeting certain environmental standards as identified through an application and verification process. This program was first funded in the FY09 budget. The first year focused on the research and development of the program in close coordination with the Montgomery County Chamber of

Commerce. The program was rolled out last fall, and as of this month, there are 19 businesses that have completed the certification process.

For FY11, \$25,000 in contract costs associated with the use of an outside vendor to provide verification services are recommended for elimination due to fiscal reasons. DEP expects some existing FY10 contract dollars to spill over into FY11 and also has some ARRA block grant money (approximately \$25,000) available for this effort as well. DEP also intends to review the verification effort to make it more efficient and hopefully to get the existing dollars to stretch further.

Gypsy Moth Suppression

The County works in partnership with the Maryland Department of Agriculture (MDA) with regard to gypsy moth surveying and suppression. The County and MDA split the surveying costs 50/50 and the County pays approximately 30% of the spraying costs with MDA. The County also may do additional spraying at its own expense. DEP staff prepared a chart (see ©11) showing trends in program expenditures over the past several years (for both the County and MDA).

Costs in the program can fluctuate substantially from year to year based on the results of the annual mid-year survey. However, overall gypsy moth populations tend to curve up over a period of years and then curve down. The current peak in gypsy moth population was previously projected in FY09 and FY10 but in fact may have peaked in FY08.

FY09 actuals and FY10 estimates are well below FY10 budget levels. In fact, for FY10, no spraying is now assumed at all. These results may be due to the results of the County's aggressive efforts (including additional spraying done by the County in prior years) as well as recent cool and wet weather patterns in the spring season.

For FY11, the Executive is recommending to assume no spraying again (a \$47,000 reduction from the FY10 original budget) based on current trends. The annual winter survey is still funded and will confirm whether any spraying ultimately is needed in FY11.

Reduce COG Contribution to Trash Treaty and Other Dues

The bulk of this reduction is the County's annual contribution to the COG Trash Treaty (\$50,000). Twenty-three elected officials signed the Potomac Watershed Trash Treaty during the 2006 Trash Summit with a goal of helping the Potomac River become trash-free by 2013. Money was raised from each jurisdiction to fund various education and outreach activities throughout the region. DEP believes that with the ramping up of its work on the NPDES-MS4 permit (which includes goals associated with the Trash Treaty), the \$50,000 contribution to COG is no longer necessary.

Two other memberships would also be lapsed.

- ICLEI was founded in 1990 as the "International Council for Local Environmental Initiatives." According to its website, ICLEI, "provides technical consulting, training, and information services to build capacity, share knowledge, and support local government in the implementation of sustainable development at the local level."

- Climate Communities is a national coalition of cities and counties that educates federal policymakers about the essential role of local governments in addressing climate change and promotes a strong local-federal partnership to reduce greenhouse gas emissions.

DEP believes that both memberships have been valuable as the County started up its efforts in the climate change arena. However, with the Federal ARRA grant (see below) now in place (a key focus of the Climate Communities coalition) and with County efforts maturing, DEP believes these memberships are less critical, especially in the current fiscal environment.

American Recovery and Reinvestment Act of 2009 (Energy Independence and Security Act (EISA))
Federal grant dollars

Last year, the County was awarded a \$7.6 million federal grant for various clean energy and energy conservation initiatives across its agencies. DEP staff led the effort to obtain the grant and are now in the process of setting up the processes to allocate the dollars to the various agencies and report back to the Federal government on results. DEP was successful in getting its portion of the administrative work covered with grant dollars. For FY11, portions of three DEP staff members' time is to be shifted from the General Fund to this grant, totaling \$162,980 in FY11. The grant will also be utilized for this purpose in FY12. For FY13, the positions would need to be fully funded again in the General Fund, unless new grant dollars become available.

Council Staff Recommendations (General Fund)

The FY11 DEP General Fund budget is substantially pared down with two positions abolished and operating expenses cut substantially. Water Quality-related costs are also shifted out of the fund to the Water Quality Protection Fund and Grant Fund. Council Staff does not recommend any further reductions.

Water Quality Protection Fund Budget

Unlike the General Fund portion of the DEP budget (which is down substantially), expenditures in the Water Quality Protection Fund are recommended to increase by 15.5% (see Table #5 below).

**Table #5
 DEP Expenditures and Positions/Workyears**

Water Quality Prot. Fund	Actual	Approved	CE Rec	Change FY10-FY11	
	FY09	FY10	FY11	\$\$\$	%
Personnel Costs	1,643,690	3,306,910	3,912,430	605,520	18.3%
Operating Expenses	4,896,426	5,588,940	6,334,570	745,630	13.3%
Capital Outlay	25,306		28,000	28,000	-
Total	6,565,422	8,895,850	10,275,000	1,379,150	15.5%
Full-Time Positions	15	20	28	8	40.0%
Part-Time Positions	1	1	1	-	n/a
Workyears	17.1	32.8	38.2	5.4	16.5%

The shift of expenditures from the General Fund (described earlier) accounts for about one third of the increase recommended for the Fund. The balance is the result of a combination of a number of other items such as: additional stormwater management facilities being added to the inspection and maintenance programs, new positions associated with planning work in connection to

the new NPDES-MS4 permit, and a number of other miscellaneous changes. A table from the Recommended Budget listing all of these changes is attached on ©7-8.

Water Quality Protection Charge

In 2001, the Council approved Bill 28-00, which created a stormwater management fund (called the Water Quality Protection Fund). This fund is supported by the annual Water Quality Protection Charge.

The Council is required to set the rate for this charge each year by resolution. A resolution (see ©12) was introduced on March 23 and a public hearing was held on April 13. The Executive is recommending a rate increase from \$45.50 to \$49.00. The net revenue¹ generated per dollar charged per equivalent residential unit (ERU) is approximately \$227,000.

The ERU is the amount each property owner of a single-family detached home pays per year for each property owned. Townhouse owners pay 1/3 of an ERU. Condominiums and apartments are accessed based on actual imperviousness that is converted to an ERU number. Associated non-residential properties (i.e. properties that drain into facilities that also serve residential properties) are also charged in a similar manner to condominiums and apartments.

The recommended rate increase is needed to cover operating budget increases (described below) as well as significant changes in the CIP. The FY11 CE recommendation within the Water Quality Protection Fund Budget includes an increase of \$1.4 million (15.5%). A crosswalk chart is included in the Recommended Budget (see ©6-7). A summary table is below:

**Table #6
Water Quality Protection Fund FY09 Recommended Expenditures by Type**

Item	Expenditures		Change from FY10	
	FY10	FY11	\$	%
Personnel Costs, Other Operating Costs, Capital Outlay	3,438,030	4,109,780	671,750	19.5%
Inspection Services	685,780	747,640	61,860	9.0%
Maintenance and non-CIP improvements	2,840,620	3,053,770	213,150	
LID Work (residential and governmental, non-cip)	434,810	384,810	(50,000)	-11.5%
Targeted Street Sweeping	279,810	211,160	(68,650)	-24.5%
City of Gaithersburg WQPC Reimbursement	595,630	609,930	14,300	2.4%
MCPS Storm Drain Inventory	90,000		(90,000)	-100.0%
SWM Database	69,000	210,000	141,000	204.3%
Department of Finance Chargeback	54,720	42,780	(11,940)	-21.8%
Water Quality Planning and Monitoring	12,820	14,660	1,840	14.4%
Additional Watershed monitoring (stream gauges)	254,730	403,200	148,470	58.3%
Misc. Stream Restoration Maintenance	139,900	105,900	(34,000)	-24.3%
Lease for Space at 255 Rockville Pike	-	381,370	381,370	n/a
Total	8,895,850	10,275,000	1,379,150	15.5%

¹ The charge is paid by Gaithersburg residents but the revenue received is passed back (minus an administrative fee) to the City of Gaithersburg which spends the revenue on stormwater management-related projects in the City.

- The shift of a substantial amount of costs currently included in the General Fund in FY10 plus the additional 3 positions mentioned earlier is increasing the “Personnel Costs, Other Operating Costs...” line item. As noted during last year’s budget discussion, these shifts make sense as DEP identifies existing expenditures that are within the growing scope of the Fund.
- The Fund also is covering, for the first time, a portion of the lease costs for the DEP office in Rockville. These costs were previously reflected in the Department of General Services budget. This is consistent with how lease costs are addressed by other special funds.
- The inspections and maintenance piece continues to grow as new facilities are built and existing facilities are added to the program. There are approximately 4,368 stormwater management facilities in the County. DEP inspects each facility every three years. These facilities range from dry ponds and wet ponds to underground infiltration trenches, sand filters and detention facilities. DEP is responsible for maintaining over 1,800 of these facilities.
- Targeted streetsweeping work is recommended to continue but with an increased focus on arterial routes (which are more cost-effective based on the actual amounts of material collected per curb mile) and a decreased effort on residential roads (only priority routes once per year). Overall costs for this effort will drop since residential road streetsweeping is more expensive than arterial sweeping.

Fiscal Plan

The Water Quality Protection Fund Fiscal Plan is attached on ©10. This chart shows estimated costs, revenues and fund balance from FY10 through FY16. Some key facts regarding the fund are noted below:

- The fund balance target was revised last year from a level of between 10 and 15 percent of resources to a 5 percent goal. This lower level goal is a reflection of the fact that the revenue stream for this fund is extremely stable (since it is collected via property tax bills). Ultimately, the County’s General Fund is the fund of last resort should any County special fund be in a deficit. The recommended fiscal plan assumes to maintain 5% or greater balances in each of the years through FY16.
- There is a significant ramp-up in the CIP related to the new NPDES-MS4 permit. The Council preliminarily approved these increases as part of its review of the CIP earlier this year. However, a major funding assumption is that eligible costs will be financed with new Water Quality Protection Fund bonds. Debt service on these bonds would be paid with Water Quality Protection Fund dollars. Expedited Bill 11-10 which went to public hearing on April 20 would enable this approach. Bond funding greatly reduces the up-front cost of the ramp-up. In his testimony supporting Bill 11-10, DEP Director Bob Hoyt noted that without bond funding approach, the FY11 charge per ERU would have to be \$79.50 (60% more than the recommended rate of \$49.00).

The ramp-up on the operating side related to the NPDES-MS4 permit is much less substantial at this time. Most of the costs for FY11 relate to some additional staff (discussed earlier) to assist with required planning efforts. Also, one-time costs (such as the MCPS Storm Drain inventory) are removed for FY11.

As a result of the bond funding approach on the capital side and the relatively modest ramp up in FY11 on the operating side, the impact on the Water Quality Protection Charge is relatively low. Overall, a rate increase of \$3.50 is assumed to cover this ramp up plus all of the other increases in the inspection and maintenance program. However, substantial rate increases will be needed in FY12 and beyond as the ramp up continues and as the Fund begins to build up its debt service obligation.

- Costs for maintenance of the conveyance system (storm drains for example) are not assumed in the Fund at this time. If the Fund's scope is expanded to include conveyance in the future, the costs and rates for this Fund will increase substantially. DOT staff investigate storm drain problems and utilize operating and capital project dollars to address issues. However, there is no systematic maintenance and repair program at this time. Expanding the WQPF into this area was discussed when the WQPF was created. However, it was decided at the time to address the stormwater management facilities first before tackling the much bigger issue of conveyance.

MCPS' Transfer of Structural Maintenance of Stormwater Management Facilities to DEP

Three years ago, the Council approved the transfer of structural maintenance of MCPS' storm water management facilities to DEP (within the Water Quality Protection Fund) after the facilities have been brought up to current standards. To date, of the 341 MCPS storm water management facilities that have been inventoried, 300 have been transferred. Another 41 facilities require some additional work to be brought up to current standards. In FY11, MCPS is expecting to continue to repair these facilities as funding allows and transfer the structural maintenance responsibilities to the County. **Council Staff is checking with MCPS to see what the estimated costs are for the remaining work and when it plans to complete the work.**

Assessment of the Water Quality Protection Charge for Homeowners Associations

Common Ownership Communities are assessed a charge based on actual imperviousness of all areas owned by the organization. These areas include sidewalks and other common areas as well as roads owned by the organization.

For the FY09 assessments, DEP implemented a new more accurate imperviousness calculation tool across parts of the County that resulted in a substantial increase in assessments for some of these organizations. Particularly hard hit were homeowner organizations in Montgomery Village which own roads. While not opposed to the concept of the charge, these organizations have argued that the assessment of these association-owned roads (which are publicly used) should be reconsidered or the method by which the charge is assessed should be modified so that homeowners are assessed directly for these common areas rather than the association which cannot easily pass these costs on to its homeowners.

Because DEP did not finish updating the calculations of impervious area for the entire county, and to reduce the extent of the WQPC increase, the County Executive announced that some homeowner associations, apartment building owners, condominium owners, and commercial property owners would receive a one-time reduction in the Water Quality Protection Charge for FY09. For FY10, the Council supported continuing this approach pending DEP's comprehensive review of

Section 19-35 in FY10 and FY11 and the consideration of a variety of possible changes to the charge. For FY11, DEP is assuming to continue the approach followed for FY10. *NOTE: DEP has noted that because of "budget concerns and the current economic climate, the proposed changes in the legislation are being temporarily suspended."*

FY11 Revenues

In addition to the Water Quality Protection Charge, the DEP budget includes three other ongoing revenue items including the Special Protection Area (SPA) Monitoring Fee, Civil Citations, and the Water and Sewer Plan Review Fee. The fees are estimated to bring in a total of \$269,000 (the same as the FY07 budget and estimate).

Water and Sewer Plan Review Fee

This fee was created in FY06 and is charged to applicants seeking category changes. The intent of the fee is to deter frivolous requests and to provide some cost recovery for the program. DEP and DPS staff must do a substantial amount of work related to category change applications including: answering applicant questions, assembling the application materials, coordinating reviews and comments from Permitting Services, M-NCPPC staff, and WSSC staff, and drafting an Executive staff report and recommendations for each request.

The fee structure is broken down by type of development (residential, commercial, institutional, public, mixed-use, and public health cases). Non-profit institutions (PIFs), public health cases, and public use/government applications do not pay a fee.

Two years ago, DEP staff noted that the FY09 operating cost associated with the Water/Sewer Category Plan Review was approximately \$125,000 (based on 50% of the personnel cost of a Senior Planner position, 75% of the personnel cost of a Planning Specialist III position, and 15% operating expenses). The FY11 projected revenue for the Water/Sewer Category Plan Review is \$20,000, which represents about 20 percent program cost recovery. For FY11, this cost recovery may go up as the result of the abolishment of the Planning Specialist III position. However, given the likely remaining disparity, another review of the issue may be warranted.

Council Staff recommends that the fee structure and levels be reviewed in the context of the Council's upcoming comprehensive review of the 10 Year Water and Sewer Plan.

Special Protection Area (SPA) Fee

This fee is intended to cover the cost of pre and post construction monitoring by DEP of development within designated Special Protection Areas in the County. Developers are also required to perform their own Best Management Practices (BMP) monitoring.

According to Chapter 19 Article 5 of the County Code, the fee charged must be based on the "reasonable cost of administering and enforcing" the program. In FY07, DEP estimated that its staff costs (two positions) for biological monitoring and managing BMP consultants were approximately \$130,000 per year.

The SPA Monitoring Fee is currently \$475 per acre of development within designated Special Protection Areas in the County. Developers pay the fee at the time sediment control plans are approved by the Department of Permitting Services. The fee has not been increased since 1994 when the law putting this fee in place was enacted.

In FY08, revenue from the fee totaled \$120,000. FY09 saw a decline down to \$23,000 although FY10 revenue is expected to rebound somewhat to \$50,000. According to DEP, there are a number of factors contributing to the lower fees including the downturn in the housing market, much of the developable land in the SPAs has been developed or is in the process of being developed, and delays in the build-out in Clarksburg due to previous development related issues. However, for FY11, fees are expected to double to \$100,000 on the expectation that developers will rush to obtain permits before new stormwater regulations take effect.

Civil Citations

DEP is responsible for enforcing several areas of the County Code including: Chapter 3 (Air Quality Control), Chapter 18A (Energy Policy), Chapter 19 (Water Quality), Chapter 31B (Noise Control), Chapter 33 (Pesticide Use), Chapter 38 (Quarries), and Chapter 48 (Solid Waste). DEP has an enforcement staff of six (1 Manager, 1 code enforcement specialist focused on illegal dumping, and 4 Environmental Health Specialists to address other areas such as air quality, water, and noise. DEP's goal is to investigate complaints within 30 days. DEP typically issues approximately 40 to 50 citations per year. In FY09, DEP staff responded to about 1,560 documented cases. A similar workload is expected in FY11.

Summary of Council Staff Recommendations

Council Staff recommends approval of the DEP General Fund Budget, Grant Fund Budget, and Water Quality Protection Fund Budget as recommended by the County Executive.

Council Staff recommends approval of the Water Quality Protection Charge equivalent residential unit (ERU) rate increase from \$45.50 to \$49 as recommended by the County Executive.

Attachments

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Environmental Protection

MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to improve the quality of life in our Community through conservation, protection, and restoration of natural resources guided by the principles of science, sustainability, and stewardship; and to provide solid waste management services, including reducing, reusing, and recycling waste in an environmentally progressive and economically sound manner.

BUDGET OVERVIEW

The total recommended FY11 Operating Budget for the Department of Environmental Protection is \$12,374,440, an increase of \$464,630 or 3.9 percent from the FY10 Approved Budget of \$11,909,810. Personnel Costs comprise 44.8 percent of the budget for 70 full-time positions and two part-time positions for 51.5 workyears. Operating Expenses and Capital Outlay account for the remaining 55.2 percent of the FY11 budget.

The debt service for the Water Quality Protection Fund is appropriated in the Debt Service Fund and is, therefore, not displayed in this section. To pay for the debt service, a transfer of funds from the Water Quality Protection Fund to the Debt Service Fund of \$413,480 for Water Quality Protection bonds is required.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Healthy and Sustainable Neighborhoods***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY10 estimates incorporate the effect of the FY10 savings plan. The FY11 and FY12 targets assume the recommended FY11 budget and FY12 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Began developing a Watershed Restoration Implementation Strategy to meet new National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS-4) permit requirements for watershed restoration, pollutant load allocations, and trash reduction to improve water quality. The new permit was issued in February 2010.***
- ❖ ***Began implementing Montgomery County's 2009 Climate Protection Plan developed by the Sustainability Working Group. Started work on over 40 of the 58 recommendations in the Plan.***
- ❖ ***Developed the Montgomery County Green Business Certification Program in concert with the Montgomery County Chamber of Commerce.***
- ❖ ***Began implementing the \$7.6 million Energy Efficiency and Conservation Block Grant funded through the American Recovery and Reinvestment Act.***
- ❖ ***Initiated a review to improve Water Quality Protection Charge processes.***
- ❖ ***Implemented the Rainscapes pilot program at six schools and began holding Rainscapes training programs for landscape contractors.***
- ❖ ***Protected County streams and residents by constructing or upgrading stormwater facilities to control polluted runoff from 420 acres of land.***

- ❖ *Restored and stabilized over 19,000 feet of degraded stream channels and eroding stream banks, and initiated a comprehensive restoration in the Breewood Tributary of Sligo Creek.*
- ❖ *Prevented 1,168 tons of debris from entering storm drains and streams through an enhanced street-sweeping program within the Anacostia and Lower Rock Creek sub-watersheds.*
- ❖ *Inspected over 1,400 stormwater facilities to ensure that they were properly functioning to prevent flooding and water quality problems.*
- ❖ *Performed maintenance on over 2,000 privately and publicly owned stormwater facilities.*
- ❖ *Initiated an extensive review of water and sewer service accounts with WSSC to locate properties where existing public service is not reflected in the Ten Year Water and Sewer Plan.*
- ❖ *Will increase the Water Quality Protection Charge (WQPC) from \$45.50 per equivalent residential unit (ERU) to \$49.00 per ERU in FY11 to support WQPC funded programs, including additional positions and initiatives to plan and implement responses to the new MS-4 permit, debt service on bonds issued to help fund the MS-4 response, the transfer of water quality protection expenses previously charged to the General Fund, maintenance of additional stormwater facilities, and increases in other costs.*
- ❖ **Productivity Improvements**
 - *Began work on a water/sewer service area category database for all county properties, linked to the County's GIS. The database includes the property's water and sewer service area categories, service conditions or restrictions applying to the property, and category change actions affecting the property within the past 20 years.*
 - *Corrected building layer and multi-family property data to correctly and accurately apply the WQPC to these types of accounts.*
 - *Improved the accuracy of the impervious area calculations, which will help track progress toward meeting MS-4 requirements.*
 - *Used LiDAR (Light Detection and Ranging) remote sensing data to re-delineate the County's watershed layer, last updated in 1996.*
 - *Integrated DEP's approval of record plats into the Department of Permitting Services automated permit tracking system to streamline the plat approval process and allow access by developers to the status of DEP's plat review.*
 - *Created a web-based application verification system for Green Biz consultants.*

PROGRAM CONTACTS

Contact Gladys Balderrama of the Department of Environmental Protection at 240.777.7732 or John Greiner of the Office of Management and Budget at 240.777.2765 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Watershed Management

This program supports watershed-based monitoring, planning, policy development, and project implementation activities designed to achieve County stream protection goals (Chapter 19, Article IV). The program assesses land development impacts on water resources and the effectiveness of best management practices that mitigate these impacts within the County's four designated "Special Protection Areas" (Chapter 19, Article IV). To comply with the Federal Clean Water Act NPDES Municipal Separate Storm Sewer System (MS-4) permit, program staff conduct baseline stream monitoring, storm drain discharge monitoring, and public outreach activities that increase awareness and promote citizen involvement in stream stewardship; develop watershed protection priorities; and manage stream protection and restoration projects that implement NPDES stormwater discharge permit requirements and the Countywide Stream Protection Strategy.

Program staff also manage, inspect, and enforce the operational effectiveness of over 4,200 stormwater management facilities which control impacts from stormwater runoff to protect County streams. DEP is also responsible for the structural maintenance of approximately 1,800 of these facilities. Revenue for the program is generated through a Water Quality Protection Charge, applied to all residential and associated non-residential properties (associated non-residential properties are non-residential properties that drain into the stormwater facilities of residential properties), except for those in the cities of Rockville and Takoma Park.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
County Watershed Stream Quality Index of Biological Integrity (IBI) Score ¹	54%	54%	54%	55%	55%
Special Protection Area (SPA) Biological Condition ²	72.0%	72.5%	72.8%	73.0%	73.0%
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Nitrogen (pounds)	147,174	147,174	145,702	144,245	142,803
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Phosphorus (tons) ³	15,301	21,303	21,090	20,668	20,048
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Sediment (tons) ⁴	935	1,107	1,096	1,074	1,042
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Bacteria (maximum probable number or MPN)	2,738	2,738	2,711	2,684	2,657
Impervious Acres Treated Through the Rainscapes Program ⁵	0.8	1.9	6	13	23
Impervious Acres Treated with Stormwater Facility Retrofits ⁶	902	902	1,117	1,387	2,397
Stormwater Facility Maintenance Compliance Rate ⁷	NA	71.6%	74.1%	77.1%	79.4%

¹ The Index of Biological Integrity (IBI) score classifies watersheds by the diversity of plant and animal life and other factors. Higher scores indicate a healthier watershed.

² The average yearly IBI score for all SPA monitoring stations. SPAs are areas where existing water resources and/or environmental features are of high quality, unusually sensitive, and potentially threatened by proposed land uses.

³ FY09 increase due to additional regulatory requirements that were added in FY09.

⁴ FY09 increase due to additional regulatory requirements that were added in FY09.

⁵ Goal is 50 acres by FY15.

⁶ Goal is 5,000 acres by FY15.

⁷ Percentage of private and County-owned stormwater facilities that have complied with the inspection report and/or maintenance notification work order detailing the repairs and/or maintenance needed for the stormwater facility.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	8,895,850	32.8
Shift: Move Personnel Costs from the General Fund to the WQPC to Reflect Workload Associated with Programs Funded by the WQPC	412,390	4.2
Shift: Lease for Space at 255 Rockville Pike (from Leases NDA)	381,370	0.0
Enhance: Maintenance of New and Newly Transferred Stormwater Management Facilities	222,200	0.0
Enhance: WQPC Software Development	150,000	0.0
Increase Cost: Stream Gauge Maintenance - Funding for Joint Agreements with USGS and for CPI Increase	148,470	0.0
Enhance: SM Retrofit - Countywide Facilities (OBI)	136,000	0.0
Enhance: Below Ground Facility Monitoring and Maintenance for 90 Additional MCPS Stormwater Facilities	110,000	0.0
Enhance: New Inspector Position for Below Ground Maintenance	105,520	0.8
Increase Cost: Stormwater Facility Maintenance Contract	78,250	0.0
Enhance: New GIS Technician for Data Analysis to Generate and Manage MS-4 Reporting Data	60,930	0.8
Enhance: New Public Administration Intern to Support MS-4 Studies	56,870	0.8
Shift: Move Operating Costs for Programs Funded by the WQPC from the General Fund to the WQPC	53,560	0.0
Enhance: Inspection of New Stormwater Management Facilities	43,970	0.0
Increase Cost: Annualization of FY10 Personnel Costs	38,410	0.0
Increase Cost: Annualization of Positions Approved in FY10	34,490	0.4
Increase Cost: Retirement Adjustment	23,830	0.0
Increase Cost: Group Insurance Adjustment	22,260	0.0
Increase Cost: Inspection Contract	17,890	0.0
Enhance: Miscellaneous Stream Restoration Maintenance (OBI)	16,000	0.0
Increase Cost: Department of Finance Chargeback	14,690	0.0
Increase Cost: City Of Gaithersburg Reimbursement	14,300	0.0
Enhance: SM Retrofit - Governmental Facilities (OBI)	12,000	0.0
Enhance: Operating Costs for New Engineer III Funded by CIP (0.8 WY)	4,880	0.0
Enhance: Operating Costs for New Administrative Specialist III Funded by CIP (0.8 WY)	4,280	0.0
Enhance: Operating Costs for New Planning Specialist III Funded by CIP (0.8 WY)	4,280	0.0
Decrease Cost: Printing and Mail Adjustment	-450	0.0
Decrease Cost: Printing and Mail	-6,380	0.0
Decrease Cost: Stormwater Asset Inventory System, Training, and Other Miscellaneous Operating Costs	-14,690	0.0
Decrease Cost: Motor Pool Rate Adjustment	-24,310	0.0
Decrease Cost: Stream Restoration Maintenance to Reflect Absence of Major Storm Events in 2009	-50,000	0.0
Reduce: Engineering and Architectural Services for Residential Low Impact Development Stormwater Controls within the Rainscapes Program	-50,000	0.0
Decrease Cost: Utilize Targeted Streetsweeping	-68,650	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY10	-99,560	0.0
Decrease Cost: Furlough Days	-118,270	-1.6
Reduce: Limit Replacement of Proprietary Filters on Underground Stormwater Management Facilities	-140,000	0.0
Decrease Cost: Reduce Above Ground Maintenance Costs by Prioritizing Repairs	-205,300	0.0

	Expenditures	WYs
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-10,080	0.0
FY11 CE Recommended	10,275,000	38.2

Environmental Policy and Compliance

This program develops and implements scientifically-based, integrated programs which protect and enhance the County's environmental resources and promotes sustainable practices by the County government, businesses, and residents. The division develops, analyzes, and enforces policies, programs, and regulations related to air quality (ambient and indoor), water quality and stormwater management, energy conservation, forest and tree resources, noise control, pollution prevention, and sustainability efforts. The division is also responsible for environmental monitoring of the County's solid waste facilities; coordination of responses on all legislative referrals at the local, state, and federal levels; and participation on local and regional task forces, committees, and various advisory groups.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Average Number of Days to Resolve Environmental Enforcement Cases	35	34	35	35	35
Percent of Customers Satisfied with DEP Response to Environmental Complaints ¹	81.0%	84.8%	79.4%	79.4%	79.4%
Residential Energy Use as a Measure of Greenhouse Gas Reductions (Million British Thermal Units) ²	35,979,624	35,012,591	35,012,591	34,312,340	33,612,088
Non-Residential Energy Use as a Measure of Greenhouse Gas Reductions (Million British Thermal Units) ³	33,101,269	33,563,287	33,563,287	32,892,022	32,220,756

¹ FY10-FY12 based on average of previous four years.

² Historic data from Montgomery County fuel-energy tax records. Projected figures based on recent trends in energy consumption.

³ Historic data from Montgomery County fuel-energy tax records. Projected figures based on recent trends in energy consumption.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	1,472,290	8.6
Increase Cost: Maryland Clean Energy Center FY11 Annualization Cost	16,200	0.0
Increase Cost: Increase WYs of the Forest Conservation Manager (Sr. Planning Specialist) from 0.8 to 0.9 WYs	10,780	0.1
Decrease Cost: Abolish Part-Time Program Specialist II for the Forest Conservation Program	-36,160	-0.5
Decrease Cost: Reduce Gypsy Moth Survey and Suppression	-47,000	0.0
Reduce: Professional Services, Including Green Business Certification	-65,560	0.0
Decrease Cost: Reduce Miscellaneous Operating Expenses	-90,980	0.0
Shift: Move Relevant Personnel Costs of 3 Positions That Will Work on the ARRA Grant from the General Fund to the Grant	-162,980	-1.7
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-18,210	-0.3
FY11 CE Recommended	1,078,380	6.2

Grants

In FY10, the American Recovery and Reinvestment Act (ARRA), through the Energy Efficiency and Conservation Block Grant (EECBG), awarded the County funds to explore opportunities and implement improvements related to energy efficiency and conservation through seven separate activities. The grant provides for the following five activities to be implemented by DEP: oversight of energy conservation and renewable energy in buildings owned by the County government or outside agencies, the Home Energy Loan Program, the Commercial & Multi-Family Building Energy Efficiency Grant Program, the Commercial & Multi-Family Building Study, and energy education. In addition, the Department is responsible for providing leadership, coordination, and progress oversight to other County departments and outside agencies participating in the grant, and for fulfilling the grant reporting requirements for all seven activities. FY11 personnel costs associated with these activities are displayed below.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	0	0.0
Shift: Move Relevant Personnel Costs of 3 Positions That Will Work on the ARRA Grant from the General Fund to the Grant	162,980	1.7
FY11 CE Recommended	162,980	1.7

Notes: The recommended program amount reflects only FY11 personnel costs, pending the development of a complete multi-year scope of work in connection with this grant.

Administration

The Office of the Director provides leadership on policy development, implementation, and administration for all departmental programs. The Director's office is also responsible for planning, development, and administration of water supply and wastewater policies for the County, development of the State-required Montgomery County Comprehensive Water Supply and Sewerage System Plan, and development and implementation of the County groundwater strategy (which focuses on water quality and water supply aspects of groundwater resources). This program provides the Department and the County with a comprehensive, technically versed team of experts in water and wastewater focused on promoting public health and environmental protection. In addition, the Director's office provides centrally coordinated public education, outreach, and effective communication of County environmental initiatives and objectives to promote better community understanding of environmental issues and services provided by the Department. The Administrative Services Section in the Director's office is responsible for budget development and administration, contract management, human resources management, information technology, and day-to-day operational services for the department.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Percent Concurrence of County Council Water and Sewer Service Actions with DEP Recommendations	94%	100%	96%	97%	94%

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	1,541,670	10.7
Decrease Cost: Printing and Mail Adjustment	-1,220	0.0
Decrease Cost: IT Training and Computer Maintenance	-8,790	0.0
Shift: Personnel Cost of Manager III Related to Support of DSWS Activities to the Division of Solid Waste Services	-9,620	-0.1
Decrease Cost: Contractual Services for Professional Support for Outreach/Education, Materials, and Job Advertising	-21,000	0.0
Shift: Miscellaneous Operating Expenses Supporting Water Quality Functions to the Water Quality Protection Fund	-53,560	0.0
Decrease Cost: COG Contribution for Trash Treaty and Other Dues	-62,700	0.0
Decrease Cost: Abolish Planning Specialist III Position Due to Decreased Demand for Water and Sewer Plan Reviews and Category Changes	-102,970	-1.0
Shift: Personnel Costs Supporting Water Quality Functions to the Water Quality Protection Fund	-397,810	-4.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-25,920	-0.2
FY11 CE Recommended	858,080	5.4

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,557,524	1,619,620	1,599,350	1,044,880	-35.5%
Employee Benefits	812,741	572,070	542,030	426,360	-25.5%
County General Fund Personnel Costs	3,370,265	2,191,690	2,141,380	1,471,240	-32.9%
Operating Expenses	641,961	822,270	613,880	465,220	-43.4%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	4,012,226	3,013,960	2,755,260	1,936,460	-35.8%
PERSONNEL					
Full-Time	45	43	43	42	-2.3%
Part-Time	4	2	2	1	-50.0%
Workyears	33.9	19.3	19.3	11.6	-39.9%
REVENUES					
Civil Citations - DEP	15,758	20,000	20,000	20,000	—
SPA Monitoring Fee	22,395	50,000	50,000	100,000	100.0%
Water and Sewer Plan Review Fee	13,000	20,000	20,000	20,000	—
County General Fund Revenues	51,153	90,000	90,000	140,000	55.6%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	130,230	—
Employee Benefits	0	0	0	32,750	—
Grant Fund MCG Personnel Costs	0	0	0	162,980	—
Operating Expenses	950	0	0	0	—
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	950	0	0	162,980	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	1.7	—
REVENUES					
ARRA Energy Efficiency Block Grant	0	0	0	162,980	—
DEP Equip Diesel Emission Reduction	950	0	0	0	—
Grant Fund MCG Revenues	950	0	0	162,980	—
WATER QUALITY PROTECTION FUND					
EXPENDITURES					
Salaries and Wages	1,269,758	2,527,950	2,416,130	2,931,730	16.0%
Employee Benefits	373,932	778,960	711,090	980,700	25.9%
Water Quality Protection Fund Personnel Costs	1,643,690	3,306,910	3,127,220	3,912,430	18.3%
Operating Expenses	4,896,426	5,588,940	5,345,010	6,334,570	13.3%
Capital Outlay	25,306	0	0	28,000	—
Water Quality Protection Fund Expenditures	6,565,422	8,895,850	8,472,230	10,275,000	15.5%
PERSONNEL					
Full-Time	15	20	20	28	40.0%
Part-Time	1	1	1	1	—
Workyears	17.1	32.8	32.8	38.2	16.5%
REVENUES					
Investment Income	120,732	60,000	20,000	60,000	—
Water Quality Protection Charge	8,574,546	10,625,870	10,625,870	11,725,680	10.4%
Water Quality Protection Fund Revenues	8,695,278	10,685,870	10,645,870	11,785,680	10.3%
DEPARTMENT TOTALS					
Total Expenditures	10,578,598	11,909,810	11,227,490	12,374,440	3.9%
Total Full-Time Positions	60	63	63	70	11.1%
Total Part-Time Positions	5	3	3	2	-33.3%
Total Workyears	51.0	52.1	52.1	51.5	-1.2%
Total Revenues	8,747,381	10,775,870	10,735,870	12,088,660	12.2%

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY10 ORIGINAL APPROPRIATION	3,013,960	19.3
<u>Changes (with service impacts)</u>		
Reduce: Professional Services, Including Green Business Certification [Environmental Policy and Compliance]	-65,560	0.0
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Retirement Adjustment	20,750	0.0
Increase Cost: Maryland Clean Energy Center FY11 Annualization Cost [Environmental Policy and Compliance]	16,200	0.0
Increase Cost: Increase WYs of the Forest Conservation Manager (Sr. Planning Specialist) from 0.8 to 0.9 WYs [Environmental Policy and Compliance]	10,780	0.1
Increase Cost: Group Insurance Adjustment	10,160	0.0
Decrease Cost: Printing and Mail Adjustment [Administration]	-1,220	0.0
Decrease Cost: Annualization of FY10 Personnel Costs	-5,470	0.0
Decrease Cost: IT Training and Computer Maintenance [Administration]	-8,790	0.0
Shift: Personnel Cost of Manager III Related to Support of DSWs Activities to the Division of Solid Waste Services [Administration]	-9,620	-0.1
Decrease Cost: Contractual Services for Professional Support for Outreach/Education, Materials, and Job Advertising [Administration]	-21,000	0.0
Decrease Cost: Motor Pool Rate Adjustment	-22,440	0.0
Decrease Cost: Abolish Part-Time Program Specialist II for the Forest Conservation Program [Environmental Policy and Compliance]	-36,160	-0.5
Decrease Cost: Reduce Gypsy Moth Survey and Suppression [Environmental Policy and Compliance]	-47,000	0.0
Decrease Cost: Furlough Days	-47,130	-0.5
Shift: Miscellaneous Operating Expenses Supporting Water Quality Functions to the Water Quality Protection Fund [Administration]	-53,560	0.0
Decrease Cost: COG Contribution for Trash Treaty and Other Dues [Administration]	-62,700	0.0
Decrease Cost: Reduce Miscellaneous Operating Expenses [Environmental Policy and Compliance]	-90,980	0.0
Decrease Cost: Abolish Planning Specialist III Position Due to Decreased Demand for Water and Sewer Plan Reviews and Category Changes [Administration]	-102,970	-1.0
Shift: Move Relevant Personnel Costs of 3 Positions That Will Work on the ARRA Grant from the General Fund to the Grant [Environmental Policy and Compliance]	-162,980	-1.7
Shift: Personnel Costs Supporting Water Quality Functions to the Water Quality Protection Fund [Administration]	-397,810	-4.0
FY11 RECOMMENDED:	1,936,460	11.6
GRANT FUND MCG		
<u>Other Adjustments (with no service impacts)</u>		
Shift: Move Relevant Personnel Costs of 3 Positions That Will Work on the ARRA Grant from the General Fund to the Grant [Grants]	162,980	1.7
FY11 RECOMMENDED:	162,980	1.7
WATER QUALITY PROTECTION FUND		
FY10 ORIGINAL APPROPRIATION	8,895,850	32.8
<u>Changes (with service impacts)</u>		
Enhance: Maintenance of New and Newly Transferred Stormwater Management Facilities [Watershed Management]	222,200	0.0
Enhance: WQPC Software Development [Watershed Management]	150,000	0.0
Enhance: SM Retrofit - Countywide Facilities (OBI) [Watershed Management]	136,000	0.0
Enhance: Create Program Manager II to Handle Workload Shifted from DGS to DEP	112,020	1.0
Enhance: Below Ground Facility Monitoring and Maintenance for 90 Additional MCPS Stormwater Facilities [Watershed Management]	110,000	0.0
Enhance: New Inspector Position for Below Ground Maintenance [Watershed Management]	105,520	0.8
Enhance: New GIS Technician for Data Analysis to Generate and Manage MS-4 Reporting Data [Watershed Management]	60,930	0.8
Enhance: New Public Administration Intern to Support MS-4 Studies [Watershed Management]	56,870	0.8
Enhance: Inspection of New Stormwater Management Facilities [Watershed Management]	43,970	0.0
Enhance: Miscellaneous Stream Restoration Maintenance (OBI) [Watershed Management]	16,000	0.0
Enhance: SM Retrofit - Governmental Facilities (OBI) [Watershed Management]	12,000	0.0

	Expenditures	WYs
Enhance: Operating Costs for New Engineer III Funded by CIP (0.8 WY) [Watershed Management]	4,880	0.0
Enhance: Operating Costs for New Administrative Specialist III Funded by CIP (0.8 WY) [Watershed Management]	4,280	0.0
Enhance: Operating Costs for New Planning Specialist III Funded by CIP (0.8 WY) [Watershed Management]	4,280	0.0
Reduce: Engineering and Architectural Services for Residential Low Impact Development Stormwater Controls within the Rainscapes Program [Watershed Management]	-50,000	0.0
Reduce: Limit Replacement of Proprietary Filters on Underground Stormwater Management Facilities [Watershed Management]	-140,000	0.0
Other Adjustments (with no service impacts)		
Shift: Move Personnel Costs from the General Fund to the WQPC to Reflect Workload Associated with Programs Funded by the WQPC [Watershed Management]	412,390	4.2
Shift: Lease for Space at 255 Rockville Pike (from Leases NDA) [Watershed Management]	381,370	0.0
Increase Cost: Stream Gauge Maintenance - Funding for Joint Agreements with USGS and for CPI Increase [Watershed Management]	148,470	0.0
Increase Cost: Stormwater Facility Maintenance Contract [Watershed Management]	78,250	0.0
Shift: Move Operating Costs for Programs Funded by the WQPC from the General Fund to the WQPC [Watershed Management]	53,560	0.0
Increase Cost: Annualization of FY10 Personnel Costs [Watershed Management]	38,410	0.0
Increase Cost: Annualization of Positions Approved in FY10 [Watershed Management]	34,490	0.4
Increase Cost: Retirement Adjustment [Watershed Management]	23,830	0.0
Increase Cost: Group Insurance Adjustment [Watershed Management]	22,260	0.0
Increase Cost: Inspection Contract [Watershed Management]	17,890	0.0
Increase Cost: Department of Finance Chargeback [Watershed Management]	14,690	0.0
Increase Cost: City Of Gaithersburg Reimbursement [Watershed Management]	14,300	0.0
Decrease Cost: Printing and Mail Adjustment [Watershed Management]	-450	0.0
Decrease Cost: Printing and Mail [Watershed Management]	-6,380	0.0
Decrease Cost: Stormwater Asset Inventory System, Training, and Other Miscellaneous Operating Costs [Watershed Management]	-14,690	0.0
Decrease Cost: Motor Pool Rate Adjustment [Watershed Management]	-24,310	0.0
Decrease Cost: Stream Restoration Maintenance to Reflect Absence of Major Storm Events in 2009 [Watershed Management]	-50,000	0.0
Decrease Cost: Utilize Targeted Streetsweeping [Watershed Management]	-68,650	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY10 [Watershed Management]	-99,560	0.0
Decrease Cost: Furlough Days [Watershed Management]	-118,270	-1.6
Shift: Reduce charges from DGS to DEP for stormwater facility maintenance contract oversight due to workload transfer to DEP	-122,100	-1.0
Decrease Cost: Reduce Above Ground Maintenance Costs by Prioritizing Repairs [Watershed Management]	-205,300	0.0
FY11 RECOMMENDED:	10,275,000	38.2

PROGRAM SUMMARY

Program Name	FY10 Approved		FY11 Recommended	
	Expenditures	WYs	Expenditures	WYs
Watershed Management	8,895,850	32.8	10,275,000	38.2
Environmental Policy and Compliance	1,472,290	8.6	1,078,380	6.2
Grants	0	0.0	162,980	1.7
Administration	1,541,670	10.7	858,080	5.4
Total	11,909,810	52.1	12,374,440	51.5

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY10		FY11	
		Total\$	WYs	Total\$	WYs
COUNTY GENERAL FUND					
CIP	CIP	1,043,160	9.4	1,338,630	12.4

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)		
	FY11	FY12	FY13	FY14	FY15	FY16
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY11 Recommended	1,936	1,936	1,936	1,936	1,936	1,936
No inflation or compensation change is included in outyear projections.						
Maryland Clean Energy Center	0	-286	-286	-286	-286	-286
Under the Memorandum of Understanding for the Maryland Clean Energy Center, Montgomery County has pledged to provide full funding for three Center staff in FY10 and FY11. County support for Center staff ends after FY11.						
Motor Pool Rate Adjustment	0	22	22	22	22	22
Restore Personnel Costs	0	47	47	47	47	47
This represents restoration of funding to remove FY11 furloughs.						
Subtotal Expenditures	1,936	1,720	1,720	1,720	1,720	1,720
WATER QUALITY PROTECTION FUND						
Expenditures						
FY11 Recommended	10,275	10,275	10,275	10,275	10,275	10,275
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY11	0	44	44	44	44	44
New positions in the FY11 budget are generally lapsed due to the time it takes a position to be created and filled. Therefore, the amounts above reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY11	0	-206	-206	-206	-206	-206
Items recommended for one-time funding in FY11, including computers, a vehicle, and other one-time expenses for 6 new positions, plus new software to administer the Water Quality Protection Charge, will be eliminated from the base in the outyears.						
Down County Stream Gauge Maintenance	0	76	76	76	76	76
DEP has a Joint Funding Agreement with the United States Geological Survey to operate and maintain stream gauges.						
Inspections of New Facilities	0	30	61	91	121	121
These figures represent costs associated with the inspection of new above ground and underground stormwater management facilities projected to come into the Water Quality Protection Program.						
Maintenance of New and Newly Transferred Stormwater Management Facilities	0	192	277	362	447	447
Expenditures reflect the maintenance requirements of new stormwater management facilities and existing stormwater management facilities that transfer into the County's maintenance program.						
Motor Pool Rate Adjustment	0	24	24	24	24	24
Operating Budget Impacts of CIP Projects for Improving Streams and Controlling Stormwater	0	244	916	1,637	2,527	3,236
These figures represent the impacts on the Operating Budget (maintenance, utilities, and staff) of projects included in the County Executive's FY11-16 Recommended Capital Improvements Program.						
Restore Personnel Costs	0	118	118	118	118	118
This represents restoration of funding to remove FY11 furloughs.						
Subtotal Expenditures	10,275	10,797	11,585	12,421	13,427	14,136

ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY11 Recommended		FY12 Annualized	
	Expenditures	WYs	Expenditures	WYs
Enhance: New GIS Technician for Data Analysis to Generate and Manage MS-4 Reporting Data [Watershed Management]	55,450	0.8	69,310	1.0
Enhance: New Inspector Position for Below Ground Maintenance [Watershed Management]	72,240	0.8	90,300	1.0
Enhance: New Public Administration Intern to Support MS-4 Studies [Watershed Management]	48,170	0.8	60,210	1.0
Total	175,860	2.4	219,820	3.0

FY11-16 PUBLIC SERVICES PROGRAM: FISCAL PLAN		WATER QUALITY PROTECTION FUND					
FISCAL PROJECTIONS	FY10 ESTIMATE	FY11 RECOMMENDED	FY12 PROJECTION	FY13 PROJECTION	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	13.73%	12.78%	12.78%	12.78%	12.78%	12.78%	12.78%
CPI (Fiscal Year)	1.10%	2.5%	2.7%	3.0%	3.2%	3.4%	3.6%
Investment Income Yield	0.35%	1.5%	2.5%	3.5%	4.4%	4.8%	4.8%
Number of Equivalent Residential Units (ERUs) Total Billed	237,847	242,175	242,175	242,175	242,175	242,175	242,175
Prior Year Credits (\$)	(142,063)	(81,560)	-	-	-	-	-
Number of Gaithersburg ERUs	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Water Quality Protection Charge per ERU	\$45.50	\$49.00	\$60.00	\$68.50	\$85.00	\$93.50	\$110.50
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
BEGINNING FUND BALANCE	3,422,140	1,028,590	643,270	709,540	733,080	793,760	849,520
REVENUES							
Charges For Services	10,625,870	11,725,680	14,457,850	16,506,040	20,481,950	22,530,150	26,626,540
Miscellaneous	20,000	60,000	130,000	240,000	310,000	360,000	400,000
Subtotal Revenues	10,645,870	11,785,680	14,587,850	16,746,040	20,791,950	22,890,150	27,026,540
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(490,880)	(557,520)	(536,040)	(500,010)	(500,010)	(500,010)	(500,010)
Indirect Costs	(454,040)	(500,010)	(500,010)	(500,010)	(500,010)	(500,010)	(500,010)
Technology Modernization	(36,840)	(57,510)	(36,030)	0	0	0	0
Transfers to Debt Service Fund (Non-Tax)	0	(413,480)	(1,633,230)	(2,532,750)	(5,266,988)	(6,135,200)	(8,960,540)
TOTAL RESOURCES	13,577,130	11,843,270	13,061,850	14,422,820	15,758,032	17,048,700	18,415,510
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXP'S.	(2,741,000)	(925,000)	(1,200,000)	(1,350,000)	(1,350,000)	(1,100,000)	(1,100,000)
Operating Budget							
Annualizations and One-Time (PC)	n/a	n/a	(162,230)	(162,230)	(162,230)	(162,230)	(162,230)
Annualizations and One-Time (OE)	n/a	n/a	178,100	178,100	178,100	178,100	178,100
Annualization and One-Time (CO)	n/a	n/a	28,000	28,000	28,000	28,000	28,000
Motor Pool Rate Adjustment	n/a	n/a	(24,310)	(24,310)	(24,310)	(24,310)	(24,310)
FFIs - Down County Stream Gauge Maintenance	n/a	n/a	(76,010)	(76,010)	(76,010)	(76,010)	(76,010)
FFIs - Inspections of New Facilities	n/a	n/a	(30,260)	(60,520)	(90,780)	(121,040)	(121,040)
FFIs - Maintenance of New and Transferred Facilities	n/a	n/a	(191,690)	(276,870)	(362,060)	(447,250)	(447,250)
FFIs - Operating Budget Impacts of CIP Projects	n/a	n/a	(244,000)	(916,000)	(1,637,000)	(2,527,000)	(3,236,000)
Subtotal PSP Oper Budget Approp / Exp's	(8,472,230)	(10,275,000)	(11,152,310)	(12,339,740)	(13,614,270)	(15,099,180)	(16,332,660)
OTHER CLAIMS ON FUND BALANCE	(1,335,310)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(12,548,540)	(11,200,000)	(12,352,310)	(13,689,740)	(14,964,270)	(16,199,180)	(17,432,660)
YEAR END FUND BALANCE	1,028,590	643,270	709,540	733,080	793,760	849,520	982,850
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	7.6%	5.4%	5.4%	5.1%	5.0%	5.0%	5.3%
Assumptions:							
1. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.							
2. The Water Quality Protection Charge is applied to all residential and associated non-residential properties (associated non-residential properties are non-residential properties that drain into the stormwater facilities of residential properties), except for those in the cities of Rockville and Takoma Park. The base unit for calculating the charge is the Equivalent Residential Unit (ERU), which is equal to 2,406 square feet of impervious surface (the average amount of impervious surface per single-family residential unit in Montgomery County).							
3. Residential and associated non-residential property stormwater facilities will be maintained to permit standards as they are phased into the program.							
4. Operating costs for new facilities to be completed or transferred between FY11 and FY16 have been incorporated in the future fiscal impact (FFI) rows.							
5. Charges are adjusted to maintain a balance of approximately 5 percent. For purposes of analysis, general rate increases are shown in FY12, FY13, FY14, FY15, and FY16.							
6. The operating budget includes planning and implementation costs for compliance with the new Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in February 2010. Debt service on bonds that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. Potential future costs for complying with the MS-4 permit will be included as they become better defined in terms of their magnitude, scope, and timing.							

29

Costs for Gypsy Moth Suppression Program					
Item	FY08 Actual	FY09 Estimated	FY10 Approved	FY10 Estimate	FY11 Recom.
Gypsy Moth Survey					
Number of plots in Montgomery County	787	926	950	722	700
Cost to MDA (50% of Total)	\$7,146	\$8,339	\$10,000	\$25,000	\$15,420
Cost to County (50% of Total)	\$7,146	\$8,339	\$10,000	\$25,000	\$15,420
Total Survey Costs	\$14,291	\$16,678	\$20,000	\$50,000	\$30,840
Total Acreage Sprayed					
Sprayed by MDA	1,205	320	1,200	0	0
Sprayed by County	1,061	0	0	0	0
Total Acreage Sprayed	2,266	320	1,200	0	0
Costs for MDA Spraying					
Cost to MDA and Feds (70% of Total)	\$44,941	\$9,706	\$67,400	\$0	\$0
Cost to County (30% of Total)	\$19,261	\$4,160	\$47,000	\$0	\$0
Total Costs for MDA Spraying	\$64,202	\$13,866	\$60,000	\$0	\$0
Costs for County Spraying					
Cost to County (100% of Total)	\$68,435	\$0	\$0	\$0	\$0
Costs for County Outreach					
Total Costs for County Outreach	\$2,000	\$0	\$0	\$0	\$0
Total Cost of Gypsy Moth Program					
Cost to MDA and Feds	52,087	18,045	77,400	\$25,000	\$15,420
Cost to County	96,841	12,499	57,000	\$25,000	\$15,420
Total Cost of Gypsy Moth Program	148,928	30,544	134,400	\$50,000	\$30,840
Notes					
FY10 SURVEY Estimate assumes Survey would be done with in-house staff instead of contractors					
FY10 Estimate. Estimate reflects elimination of spraying program. This was possible because of the successful FY08 spraying efforts and two years of cool and rainy spring seasons, which caused moth population to crash very early in the season.					



Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the request of the County Executive

SUBJECT: Water Quality Protection Charge for FY11

Background

1. Under County Code Section 19-35(c), each fiscal year, the County Council must, by resolution, set the rate or rates for the Water Quality Protection Charge.
2. The base rate for the Water Quality Protection Charge is the annually designated dollar amount set by the County Council to be assessed for each equivalent residential unit of property that is subject to the Charge.
3. Under Executive Regulation 6-02, an equivalent residential unit (ERU) is defined for these purposes, as the statistical median of the total horizontal impervious area of developed single-family detached residences in the County that serves as the base unit of assessment for the Water Quality Protection Charge. The designated ERU for Montgomery County equals 2,406 square feet of impervious surface.
4. Under County Code Section 19-35, properties in the City of Takoma Park and the City of Rockville are not subject to the Water Quality Protection Charge.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The base rate for the Water Quality Protection Charge for Fiscal Year 2011 is \$49.00 per equivalent residential unit (ERU).

This resolution takes effect on July 1, 2010.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council