
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 FY16 Operating Budget for the Department of Environmental Protection is \$25,329,525, an increase of \$2,957,668 or 13.2 percent from the FY15 Approved Budget of \$22,371,857. Personnel Costs comprise 39.1 percent of the budget for 91 full-time positions and two part-time positions, and a total of 99.78 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 60.9 percent of the FY16 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 \$3,020,250 for Water Quality Protection bonds is required.

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 FY15 estimates reflect funding based on the FY15 approved budget. The FY16 and FY17 figures are performance targets based on the FY16 recommended budget and funding for comparable service levels in FY17.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***DEP continues progress towards meeting the 2010 MS4 permit goals, and will work with the Maryland Department of Environment (MDE) to develop goals for the County's next MS4 permit.***
- ❖ ***Additional staffing and contractual support is funded in the DEP and M-NCPPC budget to address the increased demand for Stormwater Management facility inspection, maintenance, and related program oversight.***
- ❖ ***Initiated design on 23 stormwater management pond retrofits, five stream restoration projects, two green street neighborhoods and nine low impact development projects located on County and school properties.***
- ❖ ***Restored over 7,803 linear feet of degraded stream channels and eroding streambanks in the Anacostia Watershed.***
- ❖ ***Constructed 37 Low-Impact Development (LID) practices along Dennis Avenue, treating a combined impervious surface of 19.4 acres.***
- ❖ ***Inspected over 1,100 stormwater management facilities to ensure the facilities are functioning properly.***
- ❖ ***Handled over 1,400 environmental complaints and requests related to air, water quality, illegal dumping, and noise.***

- ❖ **Established forest cover on approximately 45 acres at the closed Oaks Landfill to provide 17 acres of credit towards meeting the MS4 permit requirements.**
- ❖ **Developed a Continuous Improvement Program template that will allow Certified Green Businesses to set sustainability goals and measure their progress.**
- ❖ **Reviewed and commented on 128 requests for variances from the Forest Conservation Law for disturbance and removals of regulated trees.**
- ❖ **Continued to expand watershed outreach to the County's diverse community, in particular native Spanish speakers. Hosted or participated in 103 outreach events, an increase of approximately 25% from the previous year. Watershed staff or volunteers interacted with approximately 12,500 people at these outreach events.**
- ❖ **Joined both Prince George's County and WSSC in developing a report on the needs for sewers and sewer finance issues in unserved and underserved communities.**
- ❖ **Developed sewer service policy recommendations for the Glen Hills area.**
- ❖ **Completed report on five years of litter monitoring in the Anacostia with results showing a decrease in all categories of litter except food packaging at 14 stream stations being monitored.**
- ❖ **Successfully transferred maintenance responsibility to three private property managers who participated in the pilot pet waste management station project in the Rock Creek watershed. From these seven stations, over 1,800 pounds of pet waste was collected.**
- ❖ **Productivity Improvements**
 - **Developed mobile application to support illicit discharge detection investigations allowing field staff to quickly and accurately input investigation data via smart phone, eliminating use of paper forms.**
 - **Developed an inspection database and iPad app for use by underground stormwater inspectors to more efficiently complete the annual underground pre-maintenance inspections.**
 - **Converted paper inspection and site assessment forms to tablet based forms which allowed for more rapid documentation completion and better customer service.**
 - **Increased use of ArcGIS tablet application to provide for quicker and more accurate mapping during environmental complaint investigations.**
 - **Incorporated Noise Complaint forms and Temporary Noise Waivers into case management system, which eliminated manual data input and enabled automatic creation of waiver certificates.**
 - **Developed a web-based app for RainScapes neighborhood level screening for retrofit opportunities on private property front yards.**
 - **Modified the DEP routes for streetsweeping to focus efforts within the Anacostia, making significant progress on pollutant reductions to meet Total Maximum Daily Loads (TMDL) for that watershed while keeping the same amount of impervious acre restoration credits.**

PROGRAM CONTACTS

Contact Michelle Hwang of the Department of Environmental Protection at 240.777.7724 or Matt Schaeffer of the Office of Management and Budget at 240.777.2751 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) and comply with the federal Clean Water Act NPDES Municipal Separate Storm Sewer System (MS-4) permit. In combination with the stormwater management projects in the Capital Improvements Program, this program's goal is to provide stormwater treatment for 3,976 acres of impervious area by 2015. Program staff conduct baseline stream monitoring, storm drain discharge monitoring, and public outreach activities that increase awareness and promote citizen involvement in stream stewardship. The program also assesses land development impacts on water resources and the effectiveness of best management practices that mitigate those impacts within the County's four designated "Special Protection Areas" (Chapter 19, Article IV).

Program staff manage, inspect, and ensures the operational effectiveness of over 9,000 stormwater management facilities which receive stormwater runoff discharge and are designed to protect County streams. The Department is also responsible for the structural maintenance of over 3,700 of these facilities.

Revenue for this program is generated by the Water Quality Protection Charge, applied to all residential and non-residential properties except for those owned by the State and County government, and in the cities of Gaithersburg, Rockville, and Takoma Park.

Program Performance Measures	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
County Watershed Stream Quality Index of Biological Integrity (IBI) Score	58.2%	58.9%	59.6%	60.4%	61.1%
Percent of the impervious acreage control goal met	6.3%	9.7%	12.9%	43.0%	73.1%
Percent of the nitrogen pollution reduction goal met	1.58%	4.39%	5.40%	19.27%	33.13%
Percent of the phosphorous pollution reduction goal met	4.17%	20.14%	28.57%	64.72%	100.86%
Stormwater Facility Maintenance Compliance Rate	85.6%	82.0%	82.0%	83.0%	85.0%

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	20,521,787	84.39
Enhance: Stormwater Management maintenance including new and newly transferred facilities	706,100	0.00
Enhance: Stormwater Management Facility Inspection Contractual Assistance	385,680	0.00
Enhance: Inspections of New Stormwater Management Facilities	350,000	0.00
Enhance: M-NCPPC Stormwater Management program costs	271,627	0.00
Enhance: Operating Budget Impacts of Stormwater Management CIP Projects	257,000	0.00
Add: Post-construction monitoring of Best Management Practices (BMP) facilities within Special Protection Areas (SPA's)	177,000	0.00
Increase Cost: FY16 Compensation Adjustment	172,951	0.00
Increase Cost: Homeowner Association Roads Credit Phased Implementation	147,000	0.00
Increase Cost: Charges from Other Departments	96,434	0.00
Add: Planning Specialist III - Water and Sewer Planning	73,976	1.00
Add: Program Manager I - Stormwater Management Facility Inspection	73,976	1.00
Increase Cost: Increase Senior Financial Specialist from 0.70 FTE to 1.00 FTE due to increased workload	47,142	0.30
Increase Cost: Retirement Adjustment	35,044	0.00
Increase Cost: Building Rent - 255 Rockville Pike	32,005	0.00
Increase Cost: Group Insurance Adjustment	14,625	0.00
Decrease Cost: Printing and Mail	-4,565	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY15	-56,000	0.00
Decrease Cost: Annualization of FY15 Personnel Costs	-58,077	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-128,657	-1.00
FY16 CE Recommended	23,115,048	85.69

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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Average Number of Days to Resolve Incoming Complaints ¹	26	30	36	36	36
Non-Residential Building Energy Use as a Measure of Greenhouse Gas Reductions (Million British Thermal Units) [UNDER CONSTRUCTION]					
Percent of Customers Who Rated Themselves as Satisfied with DEP Response to Environmental Complaints ²	70.8%	66.1%	65.0%	65.0%	65.0%
Residential Building Energy Use as a Measure of Greenhouse Gas Reductions (Million British Thermal Units) [UNDER CONSTRUCTION]					

¹ The FY14 average is for 1,524 total cases in the following areas: Air, Indoor Air, Noise, Stormwater, Water Quality, Solid Waste, Hazmat, and PIA.

² For FY14, DEP sent 635 emails to customers requesting they complete an electronic survey. 118 responses were received, which translates to a 18.6% response rate. 78 (66.1%) of the 118 respondents indicated they were satisfied with the service received.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	1,017,282	7.94
Enhance: Tree Canopy Conservation - Tree Planting	200,000	0.00
Increase Cost: FY16 Compensation Adjustment	44,218	0.00
Increase Cost: Annualization of FY15 Lapsed Positions	38,105	0.00
Increase Cost: Annualization of FY15 Lapsed Positions	23,836	0.00
Increase Cost: Retirement Adjustment	13,785	0.00
Decrease Cost: Lapse Part-Time Program Manager II (.5 FTE) and substitute with contractual services for data analysis and research services in Office of Sustainability	-22,344	0.00
Decrease Cost: Motor Pool Rate Adjustment	-33,446	0.00
Decrease Cost: Annualization of FY15 Personnel Costs	-34,593	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	140,411	1.00
FY16 CE Recommended	1,387,254	8.94

Administration

The Office of the Director provides leadership on policy development, implementation, and administration for all departmental programs and management services. 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. The technical experts in this program work to ensure that the County's management of water and wastewater protects public health and the environment. Additional activities in the Director's Office include budget development and administration; contract management; human resources management; management of the Water Quality Protection Charge including geographical information systems and information technology services.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	832,788	5.15
Increase Cost: Group Insurance Adjustment	3,972	0.00
Decrease Cost: Printing and Mail	-4,069	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-5,468	0.00
FY16 CE Recommended	827,223	5.15

BUDGET SUMMARY

	Actual FY14	Budget FY15	Estimated FY15	Recommended FY16	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	941,677	1,152,130	1,097,532	1,163,571	1.0%
Employee Benefits	352,871	407,660	379,609	408,552	0.2%
County General Fund Personnel Costs	1,294,548	1,559,790	1,477,141	1,572,123	0.8%
Operating Expenses	224,465	290,280	370,493	483,575	66.6%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	1,519,013	1,850,070	1,847,634	2,055,698	11.1%
PERSONNEL					
Full-Time	40	41	41	41	—
Part-Time	1	2	2	2	—
FTEs	11.49	13.09	13.09	13.09	—
REVENUES					
Other Charges/Fees	79,358	91,000	141,000	227,000	149.5%
Other Fines/Forfeitures	20,610	10,000	10,000	10,000	—
Other Licenses/Permits	4,600	9,000	9,000	6,000	-33.3%
Tree Canopy	0	50,000	50,000	250,000	400.0%
County General Fund Revenues	104,568	160,000	210,000	493,000	208.1%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MCG Personnel Costs	0	0	0	0	—
Operating Expenses	83,243	0	0	0	—
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	83,243	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Miscellaneous Revenues	1,250	0	0	0	—
State Grants	33,387	0	0	0	—
Grant Fund MCG Revenues	34,637	0	0	0	—
WATER QUALITY PROTECTION FUND					
EXPENDITURES					
Salaries and Wages	5,413,078	5,863,038	5,689,315	6,230,239	6.3%
Employee Benefits	1,794,004	2,013,922	1,788,239	2,095,836	4.1%
Water Quality Protection Fund Personnel Costs	7,207,082	7,876,960	7,477,554	8,326,075	5.7%
Operating Expenses	11,095,329	12,588,827	12,926,210	14,947,752	18.7%
Capital Outlay	0	56,000	0	0	—
Water Quality Protection Fund Expenditures	18,302,411	20,521,787	20,403,764	23,273,827	13.4%
PERSONNEL					
Full-Time	42	46	46	50	8.7%
Part-Time	1	1	1	0	—
FTEs	81.39	84.39	84.39	86.69	2.7%
REVENUES					
Bag Tax	2,406,995	2,150,000	2,150,000	2,400,000	11.6%
Investment Income	11,430	8,540	21,020	81,730	857.0%
Water Quality Protection Fee	23,571,861	28,273,690	28,630,224	32,633,364	15.4%
Other Charges/Fees	57,357	200,000	200,000	200,000	—
Water Quality Protection Fund Revenues	26,047,643	30,632,230	31,001,244	35,315,094	15.3%
DEPARTMENT TOTALS					
Total Expenditures	19,904,667	22,371,857	22,251,398	25,329,525	13.2%
Total Full-Time Positions	82	87	87	91	4.6%
Total Part-Time Positions	2	3	3	2	-33.3%
Total FTEs	92.88	97.48	97.48	99.78	2.4%
Total Revenues	26,186,848	30,792,230	31,211,244	35,808,094	16.3%

FY16 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY15 ORIGINAL APPROPRIATION	1,850,070	13.09
<u>Changes (with service impacts)</u>		
Enhance: Tree Canopy Conservation - Tree Planting [Environmental Policy and Compliance]	200,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY16 Compensation Adjustment [Environmental Policy and Compliance]	44,218	0.00
Increase Cost: Annualization of FY15 Lapsed Positions [Environmental Policy and Compliance]	38,105	0.00
Increase Cost: Retirement Adjustment [Environmental Policy and Compliance]	13,785	0.00
Increase Cost: Group Insurance Adjustment [Administration]	3,972	0.00
Decrease Cost: Printing and Mail [Administration]	-4,069	0.00
Decrease Cost: Lapse Part-Time Program Manager II (.5 FTE) and substitute with contractual services for data analysis and research services in Office of Sustainability [Environmental Policy and Compliance]	-22,344	0.00
Decrease Cost: Motor Pool Rate Adjustment [Environmental Policy and Compliance]	-33,446	0.00
Decrease Cost: Annualization of FY15 Personnel Costs [Environmental Policy and Compliance]	-34,593	0.00
FY16 RECOMMENDED:	2,055,698	13.09
WATER QUALITY PROTECTION FUND		
FY15 ORIGINAL APPROPRIATION	20,521,787	84.39
<u>Changes (with service impacts)</u>		
Enhance: Stormwater Management maintenance including new and newly transferred facilities [Watershed Management]	706,100	0.00
Enhance: Stormwater Management Facility Inspection Contractual Assistance [Watershed Management]	385,680	0.00
Enhance: Inspections of New Stormwater Management Facilities [Watershed Management]	350,000	0.00
Enhance: M-NCPPC Stormwater Management program costs [Watershed Management]	271,627	0.00
Enhance: Operating Budget Impacts of Stormwater Management CIP Projects [Watershed Management]	257,000	0.00
Add: Post-construction monitoring of Best Management Practices (BMP) facilities within Special Protection Areas (SPA's) [Watershed Management]	177,000	0.00
Add: Planning Specialist III - Water and Sewer Planning [Watershed Management]	73,976	1.00
Add: Program Manager I - Stormwater Management Facility Inspection [Watershed Management]	73,976	1.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY16 Compensation Adjustment [Watershed Management]	172,951	0.00
Increase Cost: Homeowner Association Roads Credit Phased Implementation [Watershed Management]	147,000	0.00
Increase Cost: Charges from Other Departments [Watershed Management]	96,434	0.00
Increase Cost: Increase Senior Financial Specialist from 0.70 FTE to 1.00 FTE due to increased workload [Watershed Management]	47,142	0.30
Increase Cost: Retirement Adjustment [Watershed Management]	35,044	0.00
Increase Cost: Building Rent - 255 Rockville Pike [Watershed Management]	32,005	0.00
Increase Cost: Annualization of FY15 Lapsed Positions [Environmental Policy and Compliance]	23,836	0.00
Increase Cost: Group Insurance Adjustment [Watershed Management]	14,625	0.00
Increase Cost: Administrative Specialist II - Stormwater Management CIP program (charged to CIP)	6,286	0.00
Decrease Cost: Printing and Mail [Watershed Management]	-4,565	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY15 [Watershed Management]	-56,000	0.00
Decrease Cost: Annualization of FY15 Personnel Costs [Watershed Management]	-58,077	0.00
FY16 RECOMMENDED:	23,273,827	86.69

PROGRAM SUMMARY

Program Name	FY15 Approved		FY16 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Watershed Management	20,521,787	84.39	23,115,048	85.69
Environmental Policy and Compliance	1,017,282	7.94	1,387,254	8.94
Administration	832,788	5.15	827,223	5.15
Total	22,371,857	97.48	25,329,525	99.78

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY15		FY16	
		Total\$	FTEs	Total\$	FTEs
WATER QUALITY PROTECTION FUND					
CIP	CIP	2,681,739	24.20	2,918,293	25.20

FUTURE FISCAL IMPACTS

Title	CE REC.	(\$000's)				
	FY16	FY17	FY18	FY19	FY20	FY21
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY16 Recommended	2,056	2,056	2,056	2,056	2,056	2,056
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	4	4	4	4	4
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	2,056	2,060	2,060	2,060	2,060	2,060
WATER QUALITY PROTECTION FUND						
Expenditures						
FY16 Recommended	23,274	23,274	23,274	23,274	23,274	23,274
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	27	27	27	27	27
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Building Rent - 255 Rockville Pike	0	17	40	64	89	89
DEP share of building rent of 255 Rockville Pike offices.						
Homeowner Association Roads Credit Phased Implementation	0	16	43	181	209	209
These amounts relate to a phased implementation of a Water Quality Protection Charge credit program authorized by Bill 34-12 for Homeowner Association roads.						
Inspections of New Stormwater Management Facilities	0	0	0	0	30	30
These figures represent costs associated with the inspection of new above ground and underground stormwater management facilities.						
Operating Budget Impacts of Stormwater Management CIP Projects	0	209	941	1,473	1,989	1,989
These figures represent the Operating Budget Impacts of Stormwater Management projects in the FY16-20 CIP.						
Program Growth	0	50	100	150	200	200
These figures represent the anticipated increase of expenditures related to an increase in Water Quality Protection initiatives, including the MS4 program.						
Subtotal Expenditures	23,274	23,594	24,425	25,169	25,818	25,818

FY16-21 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Water Quality Protection Fund			
FISCAL PROJECTIONS	FY15 Estimate	FY16 CE REC	FY17 PROJECTION	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	15.87%	15.98%	15.98%	15.98%	15.98%	15.98%	15.98%
CPI (Fiscal Year)	1.72%	2.0%	2.2%	2.3%	2.5%	2.8%	3.1%
Investment Income Yield	0.17%	0.65%	1.25%	1.75%	2.25%	2.75%	3.50%
Number of Equivalent Residential Units (ERUs) Billed	326,857	372,369	372,369	372,369	372,369	372,369	372,369
Water Quality Protection Charge (\$/ERU)	\$88.40	\$88.40	\$93.25	\$93.50	\$115.75	\$121.00	\$124.25
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
BEGINNING FUND BALANCE	9,901,939	10,698,486	4,462,993	1,668,003	1,833,243	3,132,532	4,348,962
REVENUES							
Charges For Services	28,630,224	32,633,364	34,430,324	34,522,954	42,766,734	44,711,904	45,916,044
Bag Tax Receipts	2,150,000	2,400,000	1,920,000	1,536,000	1,228,800	983,040	786,432
Miscellaneous	221,020	281,730	357,170	420,040	482,910	545,780	640,080
Subtotal Revenues	31,001,244	35,315,094	36,707,494	36,478,994	44,478,444	46,240,724	47,342,556
INTERFUND TRANSFERS (Net Non-CIP)	(4,306,744)	(4,350,760)	(8,762,910)	(8,760,610)	(13,976,710)	(14,170,160)	(14,174,510)
Transfers To General Fund	(1,287,544)	(1,330,510)	(1,330,510)	(1,330,510)	(1,330,510)	(1,330,510)	(1,330,510)
Indirect Costs	(1,206,980)	(1,330,510)	(1,330,510)	(1,330,510)	(1,330,510)	(1,330,510)	(1,330,510)
Technology Modernization	(80,564)	0	0	0	0	0	0
Transfers to Debt Service Fund (Non-Tax)	(3,019,200)	(3,020,250)	(7,432,400)	(7,430,100)	(12,646,200)	(12,839,650)	(12,844,000)
TOTAL RESOURCES	36,596,439	41,662,820	32,407,577	29,386,387	32,334,977	35,203,096	37,517,008
CIP CURRENT REVENUE APPROPRIATION	(3,826,000)	(13,926,000)	(6,490,000)	(1,740,000)	(1,840,000)	(1,940,000)	(1,940,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(20,403,764)	(23,273,827)	(23,952,377)	(24,683,977)	(25,489,507)	(26,392,447)	(27,416,837)
FFI - Inspection of New Facilities	0	0	0	0	0	(30,000)	(30,000)
FFI - Operating Impacts of CIP Projects	0	0	(209,000)	(941,000)	(1,473,000)	(1,989,000)	(1,989,000)
FFI - Homeowner Association Roads Phase In	0	0	(16,000)	(43,000)	(181,000)	(209,000)	(209,000)
FFI - Building Rent Escalation	0	0	(22,197)	(45,167)	(68,938)	(93,687)	(93,687)
FFI - Program Growth	0	0	(50,000)	(100,000)	(150,000)	(200,000)	(250,000)
Subtotal PSP Oper Budget Approp / Exp's	(20,403,764)	(23,273,827)	(24,249,574)	(25,813,144)	(27,362,445)	(28,914,134)	(29,988,524)
OTHER CLAIMS ON FUND BALANCE	(1,668,189)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(25,897,953)	(37,199,827)	(30,739,574)	(27,553,144)	(29,202,445)	(30,854,134)	(31,928,524)
YEAR END FUND BALANCE	10,698,486	4,462,993	1,668,003	1,833,243	3,132,532	4,348,962	5,588,484
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	29.2%	10.7%	5.1%	6.2%	9.7%	12.4%	14.9%
NET REVENUE	9,309,936	10,710,757	11,127,410	9,335,340	15,785,489	15,996,080	16,023,522
DEBT SERVICE COVERAGE RATIO	3.08	3.55	1.50	1.26	1.25	1.25	1.25

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 to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
3. Operating costs for new facilities to be completed or transferred, Operating Budget Impacts of Stormwater CIP projects, and Program Growth between FY17 and FY21 have been incorporated in the future fiscal impact (FFI) rows.
4. The operating budget includes planning and implementation costs for compliance with the 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. The Department of Finance issued \$37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A). The actual debt service costs for the Series 2012A bond issuance and projected debt service for future bond issuances (\$50 million in FY2016 and \$65 million in FY2018) are included in the fiscal plan. Actual debt service costs may vary depending on the size and timing of future debt issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.
6. The Water Quality Protection fund balance policy target is 10%-15% of resources.