

T&E COMMITTEE #1
April 29, 2014

Worksession

MEMORANDUM

April 28, 2014

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: *KL* Keith Levchenko, Senior Legislative Analyst

SUBJECT: **Worksession: FY15 Operating Budget: Department of Environmental Protection (DEP)**

Council Staff Recommendation:

- **Approval of the FY15 DEP General Fund budget as recommended by the County Executive with the estimated fiscal impacts for Bill 2-14 and Bill 6-14 broken out separately on the Reconciliation List.**
- **Approval of the FY15 DEP Water Quality Protection Fund budget with an additional \$320,000 in Soil Conservation District expenditures.**
- **Approval of the FY15 Water Quality Protection Charge ERU rate of \$88.40 as recommended by the County Executive.**

NOTE: DEP-Solid Waste Services is being reviewed separately.

Attachments to this Memorandum

- County Executive's Recommended FY14 Operating Budget – DEP Section (©1-8)
- DEP General Fund FY15 Operating Expenses Breakout (©9)
- Fiscal Impact Statements
 - Bill 2-14: Environmental Sustainability – Buildings – Benchmarking (©10-16)
 - Bill 6-14: Office of Sustainability – Created (17-24)
- Update on MyGreenMontgomery.org (©25-27)
- Gypsy Moth Suppression Program Detail (©28)
- Code Enforcement Case Workload (©29)
- Water Quality Protection Fund Summary Charts – Major Changes FY14-15 (©30-31)
- NPDES Permit Work Update (©32-33)
- Letter from Soil Conservation District Vice Chairman (©34-37)
- Memorandum from T&E Committee Chairman Berliner to PHED Committee regarding the Soil Conservation District Funding Request (©38-39)

The following Executive Staff are expected to attend the Committee worksession:

- Bob Hoyt, Director, DEP
- Kathleen Boucher, Chief Operating Officer, DEP
- Steve Shofar, Watershed Management Division Chief, DEP
- Stan Edwards, Policy and Compliance Division Chief, DEP
- Dave Lake, Water and Wastewater Policy Special Assistant, DEP
- Amy Stevens, Stormwater Facility Inspection and Maintenance Manager, DEP
- Vicky Wan, Water Quality Protection Charge Manager, DEP
- Michelle Hwang, Senior Financial Specialist, DEP
- Alex Espinosa, Manager, Office of Management and Budget (OMB)
- Matt Schaeffer, 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, followed by the Water Quality Protection Fund) later in this memorandum.

Department Overview

**Table #1
DEP Expenditures and Positions/Workyears (All Funds)**

	Actual	Approved	CE Rec	Change FY15-FY14	
	FY13	FY14	FY15	\$\$\$	%
Personnel Costs	8,130,710	8,586,514	9,050,924	464,410	5.4%
Operating Expenses	12,725,586	11,974,644	12,445,514	470,870	3.9%
Capital Outlay	-	-	56,000	56,000	n/a
Total	20,856,296	20,561,158	21,552,438	991,280	4.8%
Full-Time Positions	82	82	85	3	3.7%
Part-Time Positions	2	2	2	0	n/a
Workyears/FTEs	90.59	92.88	92.88	0.00	0.0%

For FY15, the Executive recommends total expenditures of \$21.6 million for the Department of Environmental Protection, a 4.8 percent increase from the FY14 Approved Budget. These numbers include expenditures in the General Fund and the Water Quality Protection Fund (WQPF). No grant-funded expenditures are assumed in FY15 at this time. Also, the Solid Waste Services budget will be reviewed as part of a separate agenda item and is not included in the numbers above. The FY15 General Fund portion of the budget is up 4.7 percent. The WQPF is up 4.8 percent for FY15.

Overall, the WQPF is 92.4 percent of the total DEP budget (not counting Solid Waste Services) for FY15. This ratio is essentially unchanged from FY14. However, for comparison, the WQPF was less than half the DEP budget in FY06.

Not included in Table #1 are charges to the CIP. In addition to CIP current revenue, beginning in FY11, the WQPF began debt financing some projects. As the debt financing has ramped up, the debt service requirement has as well. Debt service in FY14 through FY16 is estimated at about \$3 million each year. However, that number ramps up in FY17 to \$7.2 million in FY17 and \$12.6 million in FY19. (see ©8, "Transfers to Debt Service Fund") with larger increases occurring in later years.

DEP also charges 5 FTEs (about \$620,000) to the Solid Waste Disposal Fund for environmental monitoring activities of the Gude and Oaks closed landfills. This level of chargeback is similar to past years.

Position Changes and Lapse

The Executive is not recommending any major reorganization in DEP for FY15. A new Chief Operating Office position was added during FY14 (30% charged to Solid Waste Collection and Disposal Funds). Two new Senior Engineer positions (funded by the CIP) are included to provide MS4 support.

DEP's overall lapse rate for FY15 (not including Solid Waste) is about 2.1 percent (4.0% in the General Fund and 1.7% in the WQPF). This overall rate appears low, given DEP's vacancies have averaged about 10 in recent years. Some of this may be related to the ramp up of staff in the WQPF over the past several years. However, the vacancy rate seems to have been remarkably steady even as the positions that are vacant change from year to year. This year, for example, DEP lost two long-time employees: A Senior Energy Planner took a position with the Department of General Services and the Manager of Administration retired. DEP expects to fill 8 of the 11 currently vacant positions by the end of the fiscal year.

Most of the vacancies tend to be partially or fully funded from the Water Quality Protection Fund. Adjusting lapse in the WQPF is doable, but of minimal value as any excess dollars in the Fund carryover to the next year in the form of starting fund balance and future rates are set accordingly.

For the DEP General Fund budget, a 4.0 percent lapse rate is reasonable for a typical County Government budget.

General Fund Budget

Overview

**Table #2
DEP Expenditures and Positions/Workyears**

General Fund	Actual FY13	Approved FY14	CE Rec FY15	Change FY15-FY14	
				\$\$\$	%
Personnel Costs	1,334,322	1,389,960	1,445,474	55,514	4.0%
Operating Expenses	155,504	178,871	196,780	17,909	10.0%
Capital Outlay		-	-	-	-
Total	1,489,826	1,568,831	1,642,254	73,423	4.7%
Full-Time Positions	40	40	40	-	0.0%
Part-Time Positions	1	1	1	-	0.0%
Workyears/FTEs	11.49	11.49	11.59	0.10	0.9%

As shown on Table #2, for FY15, General Fund expenditures in the DEP budget are recommended to increase by \$73,423 (or 4.7 percent). Full-time and part-time position totals remain unchanged. Note: the workyears/FTEs totals are much less than the position totals because many of the positions reflected in the General Fund budget have significant portions of their costs and FTEs charged to the WQPF. The one-tenth of a workyear change shown in the chart reflects miscellaneous adjustments and not any programmatic change.

Summary Crosswalk from FY14 to FY15

A crosswalk of all major expenditure changes is included in the Recommended General Fund Budget for DEP (see ©6). Most of the FY15 adjustments involve technical adjustments, such as compensation and benefits and internal service cost changes (e.g., motor pool and printing and mail). The one substantive change is a \$50,000 item for tree purchases and planting activities (which is assumed to be offset by an equivalent amount of new revenue) discussed in more detail below.

Operating Expenses

The Recommended budget includes \$196,780 in operating expenses, which is a 10 percent increase from FY14 (see ©9 for a detailed breakout). Of these expenses, most of the categories involve administrative expenses (such as motor pool, printing and mail, office supplies, etc). The non-administrative dollars are for:

- \$50,000 for Tree Planting (new effort as a result of the newly enacted Tree Canopy Law)
- \$20,000 for Professional Services (Green Building Certification Program; same as for FY14)
- \$15,450 for gypsy moth suppression (same as for FY14)
- \$14,220 for supplies, equipment and materials for the Compliance Team (same as for FY14)

The largest administrative expense is for motor pool (\$46,315) which is an increase by \$6,249 from FY14. The FY14 total was itself a \$14,000 increase from FY13. These increases are based on an analysis of budgeted versus actual motor pool charges.

General Fund Workforce

General Fund workyears declined substantially over the past decade as many positions (or portions of staff charges) began charging to the Water Quality Protection Fund. As a result, General Fund positions and workyears have declined from their peak of 48 positions and 37.8 workyears in FY02 to 40 full-time and 1 part-time and 11.6 FTEs (respectively) in the Approved FY15 Recommended Budget.

Other than the administrative, management, and IT needs of the department, the major policy areas of staffing for DEP outside Water Quality are:

- **Water and Wastewater Management** (3 staff) – This function includes managing the County’s Water and Sewer Plan (and amendments/category changes requested) and coordinating with various outside agencies such as: WSSC, M-NCPPC, DC Water, and the Metropolitan Washington Council of Governments. These positions are funded primarily out of the General Fund but with some charges to the Solid Waste Fund as well.
- **Code Enforcement** (7 staff) – This section responds to cases involving water quality, indoor and outdoor air quality, illegal dumping, noise, general environmental assessments, and other miscellaneous environmental issues. They also monitor the closed Oaks and Gude landfills and the Beantown dump. A portion of their staff time is charged to the WQPF.
- **Planning and Policy Implementation** (4 staff) – This section includes DEP’s Forest Conservation Coordinator as well as DEP’s Senior Energy Planner, and a Planning Specialist as well as DEP’s Environmental Sustainability Planner.

As noted in prior budget discussions, Council Staff believes this is a bare bones operation with broad areas of coverage in topics of major concern today, such as: water and sewer infrastructure, clean energy and energy conservation, and climate change and sustainability. All of these areas combined are about 12 percent of the total FTEs in the department. The status of some of these programs is provided below.

New Tree Canopy Program

DEP provided the following information regarding the new Tree Canopy program. The program costs are assumed to be offset by new revenue.

The Tree Canopy Law (Chapter 55 of the Montgomery County Code) requires the planting of trees and/or the payment of fees in lieu of tree planting when development requires a sediment control permit under Chapter 19 of the County Code. Fees will be deposited in the Tree Canopy Conservation Account as defined in Section 55-10. Funds in the account must be used "only to plant and maintain shade trees, including costs directly related to site identification, preparation, and other activities that increase tree canopy." DEP will be responsible for developing the programs to plant trees with these funds.

The amount that will be deposited in the fund is unknown. It will be based on development activity in the County, and decisions by sediment control permit holders regarding planting trees or paying fees in lieu of planting. The budget assumes revenues of \$50,000, with matching expenditures of \$50,000 associated with tree planting activities. Expenditures associated with planting activities will be equal to funds deposited in the Tree Canopy Conservation Account. If the level of funds deposited in the account is greater than \$50,000, an additional appropriation from the Council will be required to spend these funds. Other expenses to support tree planting activities under the Tree Canopy Law (e.g., County Arborist, outreach staff, outreach materials, etc.) are paid for by funding sources other than the Tree Canopy Conservation Account.

In FY15, assuming the addition of resources in the Office of Sustainability under the Tree Program, DEP would expand efforts beyond planting under the Tree Canopy Law to promote the general planting, care, and protection of trees; the development of partnerships with individuals and groups engaged in tree planting and enhancement activities; and the development of expanded outreach tools, including a website focused on tree planting programs.

Energy

This area is in flux in DEP as its long-time Senior Energy Planner moved to a position in the Department of General Services. Additionally, on April 22, Bill 2-14 Environmental Sustainability – Building – Benchmarking was enacted. Bill 2-14 requires the benchmarking of energy use in County buildings as well as in commercial buildings. The fiscal impact statement (see ©10-15) assumes that DEP and DGS would each need approximately 50% of a full-time Program Manager position to implement the Bill.

Another bill, Bill 6-14 Office of Sustainability (sponsored by Councilmember Roger Berliner) has been recommended by the T&E Committee for enactment and would create an Office of Sustainability in the Department of Environmental Protection and an Office of Energy and Sustainability in the Department of General Services. The fiscal impact statement prepared by the County Executive (see ©16-24) assume six new positions in DEP are needed (in addition to 5 existing positions that would be part of the new office in DEP) as well as some new operating expenses. The total first year cost for DEP is estimated at \$694,005. The DGS first year cost is estimated at \$161,639. The responsibilities for each position are noted in the Fiscal Impact statements. The Fiscal Impact Statement notes that if

these two offices are created as assumed in the Fiscal Impact Statement, then the position requirements for Bill 2-14 would also be addressed.

DEP staff will be available at the Committee worksession to discuss the fiscal assumptions for the new office.

The DEP office would focus on external activities to residents and businesses to promote and improve environmental sustainability. The DGS office will focus internally on the County Government's efforts to green its own operations and to implement energy conservation and renewable energy efforts. While DEP and DGS have already been pursuing these efforts to varying degrees in recent years, the fiscal impact statements make clear that for a long-term sustained effort a significant increase in staff dedicated to these functions is needed.

Council Staff recommends that both the DEP and DGS costs for both bills be placed on the Reconciliation List.

Since Bill 2-14 has been enacted, Council Staff recommends that the costs for Bill 2-14 (a total of \$263,712) be noted separately on the Reconciliation List. Council Staff will work with DEP and DGS to see how best to represent the personnel costs and operating expenses between the two departments for this item alone.

Bill 6-14 will require an additional \$760,298 (assuming that the Bill 2-14 Reconciliation List item is fully funded).

The total cost for DEP for both bills is estimated to be \$694,005. For DGS the total cost is \$161,639.

The T&E Committee may wish to consider whether the DEP expenditures should be broken into two or more increments to give the Council more flexibility when the Reconciliation List is under consideration. DEP staff have been asked to consider how the new Office could be created if the funding were approved at some increment below the full amount assumed in the fiscal impact statement.

With regard to the new DGS office, Council Staff suggests that the Council consider whether this office should be funded out of the Utilities NDA, since the work done by this office should have a direct impact on reducing County Government utility costs over time.

Green Business Certification Program

The Green Business certification program recognizes and publicizes businesses which are meeting certain environmental standards, as identified through an application and verification process. This program was first funded in the FY09 budget. There are currently 57 individually certified businesses (14 more than at this time last year).

Below is an update from DEP on this program:

"The program has certified 57 individual businesses and issued 61 certifications (two businesses certified two additional facilities each). Two additional businesses have submitted applications for certification. A handful of these businesses have not recertified (which occurs every three

years), either because they have gone out of business, moved from the County, become “virtual” and no longer have commercial office space, or because they are delayed in submitting their application.

Last spring, DEP launched a Green Landscape Business Certification Program tailored to that sector. This program dovetails very well with the Department’s MS4 permit goals and the Rainscapes Rewards program. Currently, 10 of the 57 Certified Green Businesses are from the landscaping sector. The quarterly Green Business Forum, a partnership with the Montgomery County Chamber of Commerce focused on the benefits of greening business, is now in its second year and continues to attract significant attendance ranging from 30 to 50 individuals per event.

Given current staff constraints only incremental Program enhancements can be made and a limited number of new applicants can be recruited. One priority being pursued using existing staff involves streamlining the application to make it more inviting and accessible. However, DEP has limited capacity to proactively promote the program by meeting with various business groups and associations and disseminating information through social media.

MyGreenMontgomery.org

MyGreenMontgomery.org is a web-based program that went live in early 2012. It provides a one-stop-shop for individuals and organizations interested in reducing their carbon footprints and living more sustainably. An update from DEP on the effort is attached on ©25-27.

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 ©28) 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.

No spraying has been done for a number of years, nor is spraying assumed for FY15. The annual winter survey is still funded and will confirm whether any spraying ultimately is needed in FY15.

Water and Sewer Planning Issues

The Council typically receives one package of Water and Sewer Plan amendments (category change requests) each year. Other category change requests are dealt with administratively throughout the year by DEP (consistent with Water and Sewer Plan policies).

However, there are a number of specific water and sewer issues in varying stages of work which the Council is expecting to review in the near future.

- The Glen Hills Sanitary Study has been completed¹ and the County Executive could transmit his recommendations for moving forward on this issue at any time.
- A comprehensive update to the Water and Sewer Plan is long overdue. The Plan was last comprehensively updated in 2003. The schedule for transmittal to the Council has been repeatedly pushed back as DEP has worked on other water and sewer-related priorities; most recently the Glen Hills study and the Ten Mile Creek Limited Area Master Plan. There are a number of important policy issues that are in need of review and possible revision, such as the Private Institutional Facilities (PIF) Policy and the issue of water and sewer extension costs. DEP Director Bob Hoyt has indicated that his current expected timeframe is to have the plan transmitted to the Council for action this fall.
- The Council's recent approval of the Ten Mile Creek Limited Master Plan Amendment includes a number of follow-up water/sewer issues for DEP including:
 - Working with WSSC to extend sewer to the Clarksburg Historic District: The Council President and County Executive recently announced an effort to work with WSSC to extend sewer to the Historic District of Clarksburg in a manner which is affordable to property owners in the Historic District (as recommended in the Ten Mile Creek Limited Area Master Plan).
 - Working with WSSC on a comprehensive sewer study of the Ten Mile Creek Limited Master Plan area.
 - Working with WSSC and other regional partners on the development of a study of the long-term health of the Little Seneca Reservoir.

Code Enforcement

DEP staff provided the following update to Council Staff regarding its code enforcement workload.

The Division of Environmental Policy and Compliance (DEPC) administers code enforcement activities related to air and water quality, noise, illegal dumping, and hazardous materials; and also monitors the County's solid waste facilities. The Code Enforcement section is comprised of seven positions: one Supervisor; one Code Enforcement Inspector; and five Environmental Health Specialists. This is the same complement as last year.

Code enforcement cases handled by DEPC can be broken into four major categories:

Air Quality – The number of cases dropped for the fourth year in a row. This drop is likely due primarily to better coordination with DHCA on indoor air quality cases involving rental properties.

Noise – The number of noise cases increased to 319, the highest level in four years. Noise cases are typically the most complex and time consuming cases handled by code enforcement staff. Complaints associated with commercial construction activities and

¹ The Glen Hills Study (both phases 1 and 2) can be downloaded at: <http://www.montgomerycountymd.gov/DEP/water/glen-hills.html>.

equipment, as well as complaints related to noises between multifamily property units, accounted for the largest part of this increase. If the recommendations of the Nighttime Economy Task Force to establish “urban noise areas” are adopted, this may result in additional noise related activities in the future related to the establishment of the urban noise areas and investigation of complaints.

Solid Waste – The number of cases dropped for the second year in row to 407, which is the lowest number of cases in the last four years. Part of this drop is likely due to better coordination of solid waste through 311 (solid waste cases may be handled by a number of different entities – including DEPC, DEP’s Division of Solid Waste Services, DHCA’s Housing Code Enforcement, DOT’s Division of Highway Services, Montgomery Parks, and the Montgomery County Police – depending on the situation).

Water Quality – Water quality cases are classified as IDDE or non-IDDE cases. IDDE cases are scheduled activities related to illicit discharge detection and elimination (IDDE). Illicit discharges are discharges to a storm drain system not composed entirely of storm water (e.g., leaking sewage lines, sump pump hookups, etc), except as allowed by permit. Illicit discharge detection and elimination is a major part of the County’s MS4 permit. Unlike investigations based on complaints, illicit discharge detection activities are scheduled based on weather (there must be a sustained period of no precipitation to ensure discharges are not stormwater) and staff availability. As a result, these activities do not follow a regular pattern, and may not be evenly distributed across fiscal years. Non-IDDE cases involve investigation of the discharge of potential water pollutants (e.g. sanitary sewer system overflows, oil poured in a storm drain, or wastewater from washout of a concrete truck at a construction site). These cases have remained fairly steady over the past four years.

Please see ©29 for a summary chart showing DEP’s compliance case workload by category.

Council Staff Recommendations (General Fund)

Council Staff recommends approval of the DEP General Fund budget as recommended by the County Executive with the fiscal impact statement totals for Bill 2-14 and Bill 6-14 included separately on the Reconciliation List.

Water Quality Protection Fund Budget

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

Water Quality Prot. Fund	Actual	Approved	CE Rec	Change FY15-FY14	
	FY13	FY14	FY15	\$\$\$	%
Personnel Costs	6,796,388	7,196,554	7,605,450	408,896	5.7%
Operating Expenses	10,362,721	11,795,773	12,248,734	452,961	3.8%
Capital Outlay			56,000	56,000	-
Total	17,159,109	18,992,327	19,910,184	917,857	4.8%
Full-Time Positions	42	42	45	3	7.1%
Part-Time Positions	1	1	1	-	n/a
Workyears/FTEs	79.10	81.39	81.29	(0.10)	-0.1%

Fiscal Summary

Expenditures in the Water Quality Protection Fund are recommended to increase by \$917,857 (or 4.8 percent). This increase (along with a 4.2 percent increase last year and much larger increases in FY12 and FY13) relate to DEP's ramp-up of work (both in the Operating Budget and CIP) to meet its NPDES-MS4 permit requirements.

A crosswalk of all major expenditure changes is included in the Recommended Budget (see ©6). DEP staff also provided additional detail (see ©30-31) that summarizes the major work items and changes from FY14 to FY15.

Water Quality Protection Charge

In 2001, the Council approved Bill 28-00, which created the stormwater management fund (called the Water Quality Protection Fund). This fund is supported by the annual Water Quality Protection Charge. The charge is based on an equivalent residential unit (ERU).

Last year, the Council enacted Bill 34-12 and approved Executive Regulations 17-12AM and 10-13. The bill and regulations included a number of changes to the charge, such as: broadening the charge to include all non-residential properties, establishing a 7 tier rate structure for residential properties, establishing credits for on-site stormwater management practices, and establishing a hardship exemption for residential properties and non-profit organizations. A three-year phase-in period for those properties which experienced an increase in ERU assessments was also included.

According to DEP, the transition to the new rate structure has gone smoothly. Approximately 275,000 accounts were billed. 110 credit applications were processed. 19 hardship exemptions were approved. 47 properties applied for and received "contiguous property" status. 24 properties appealed the impervious surface area calculation. As the three-year phase-in of increased assessments enters its second year in FY15, property owners will see higher charges in FY15 and inquiries to DEP regarding the charge may increase. DEP plans to continue its education and outreach efforts regarding the charge (and the exemptions and credits available) in FY15.

The Council is required to set the ERU rate each year by resolution. A resolution was introduced on April 1 and a public hearing was held on April 22. The Executive recommends maintaining the ERU rate at the FY14 level of \$88.40.

NPDES-MS4 Permit Background

DEP is the lead agency for Montgomery County with regard to the NPDES Permit. The Maryland Department of the Environment (MDE) is the State agency responsible for approving NPDES permits, which are required as part of the Clean Water Act enforced by the Environmental Protection Agency. The first five-year permit was renewed in July 2001 and later modified in January 2004 to include six localities as “co-permittees.” The County’s permit covers all areas of the County, with the exception of the cities of Gaithersburg, Rockville, and Takoma Park, and lands under the control of State agencies (including the Maryland-National Capital Park and Planning Commission and Washington Suburban Sanitary Commission) or Federal agencies.

The current 5-year permit was issued by MDE on February 16, 2010. DEP is the lead department coordinating a multi-department/agency response to meet the permit’s requirements.

Permit Requirements

The County’s Coordinated Implementation Strategy (CCIS) (dated January 2012) provides the planning basis for the County to meet the following goals, as required in the County’s NPDES-MS4 Permit:

1. *Meet Total Maximum Daily Load (TMDL) Wasteload Allocations (WLAs) approved by EPA.*
2. *Provide additional stormwater runoff management on impervious acres equal to 20 percent of the impervious area for which runoff is not currently managed, to the maximum extent practicable (MEP). This requirement continues to be the primary driver of CIP expenditure increases which the Committee discussed earlier this year during its review of the Stormwater Management CIP.*
3. *Meet commitments in the Trash Free Potomac Watershed Initiative 2006 Action Agreement, which include support for regional strategies and collaborations aimed at reducing trash, increasing recycling, and increasing education and awareness of trash issues throughout the Potomac Watershed.*
4. *Educate and involve residents, businesses, and stakeholder groups in achieving measurable water quality improvements.*
5. *Establish a reporting framework that will be used for annual reporting, as required in the County’s NPDES-MS4 Permit.*
6. *Identify necessary organizational infrastructure changes needed to implement the Strategy.*

As discussed during the CIP review earlier this year, the cost implications for implementation of these changes are substantial. Overall, DEP estimates the permit costs to be about \$305 million through 2015 and nearly \$1.9 billion through 2030.

DEP provided a summary update of work completed to date (see ©32-33).²

² The 2013 Annual Report was released in March and is available for download at the DEP website at: <http://www.montgomerycountymd.gov/DEP/Resources/Files/downloads/water-reports/npdes/AnnualReport-FY13-3-31-14-Final.pdf>

Major Changes

The biggest budgetary increase from FY14 to FY15 is the maintenance of new and newly transferred stormwater management facilities³ (108 underground and 33 above ground facilities) to the program (\$356,100). DEP has also added inspections of new stormwater (213 underground and 152 aboveground) and environmental site design (ESD) (115) facilities (\$258,720).

DEP is also assuming to reduce costs for the maintenance of underground facilities (-\$528,680) by performing annual pre-maintenance inspections. For facilities which pass this inspection, no annual maintenance for the facility is needed.

M-NCPPC Parks which has \$2.4 million in water quality related work supported by the WQPF in FY14 is requesting an increase of \$276,900 to replace six seasonal positions with five full-time positions because of the technical and complex nature of the stormwater facility repair work being done.

Cost decreases are also shown, reflecting the removal of one-time items funded in FY14 (a total of \$200,000).

The Homeowner Association road credit costs, assumed under the newly restructured Water Quality Protection Charge, have been reduced from \$450,000 down to \$300,000 (-\$150,000) based on the experience of the first year of implementation.

Soil Conservation District Request for Water Quality Protection Fund Dollars

On March 27, The Montgomery Soil Conservation District (SCD) sent a letter to Councilmember Roger Berliner regarding the SCD's additional needs, as well as potential funding for those needs (see ©34-37). The SCD requested \$320,000 in funding from the Water Quality Protection Charge in order to (1) fund restoration of a currently vacant Resource Conservationist position, (2) shift the other Resource Conservationist from the DED budget (currently 10% in the CIP and 90% in the operating budget), and (3) provide funding for best practices management, cost share and equipment rental programs to assist farmers in implementing improvements to water quality and reducing storm water impacts. Councilmember Berliner subsequently sent a letter to the members of the PHED Committee expressing his support for this request (see ©38-39).

The PHED Committee discussed this request on April 22 and supported the Council Staff recommendation as noted below:

- ***Place \$230,000 on the reconciliation list for the operating budget to fully fund the Soil Conservation District's request.***
- ***On April 29, the T&E Committee will make a recommendation to the Council as to whether the Water Quality Protection Charge should fund the requested \$320,000 in Soil Conservation District uses.***
- ***If the Council decides to add \$320,000 in funding for the Soil Conservation District to the Water Quality Protection Charge, then the \$230,000 can come off of the reconciliation list.***

³ Overall there are an estimated 7,743 stormwater management facilities in the county. DEP inspects all of them on a triennial basis (or more frequently) and is responsible for maintaining 4,879 of these facilities.

- *If \$230,000 comes off the Reconciliation List and \$90,000 is shifted out of the General Fund portion of DED's budget, then the Soil Conservation District's \$320,000 request will be fully funded.*
- *The Ag Land Preservation Easement Program PDF should be further amended to remove reference to the 0.1 FTE for Resource Conservationist and 0.1 FTE for Program Manager, and shift funding (\$20,000) for those personnel costs from Planning, Design and Supervision to Land Acquisition. These changes will substantially clean up the capital budget for agricultural land preservation, further increasing resources available for land preservation. See Ag Land Preservation Easements PDF #788911, © 73.*

Council Staff discussed the SCD request with DEP and OMB staff and confirmed that the expenditures requested are consistent with the scope of the Water Quality Protection Fund. DEP staff noted that most of DEP's water quality work to date has focused on addressing maintenance and improvements to existing stormwater management facilities and watershed restoration in already impacted areas. The SCD is a key partner in the implementation of best management practices to protect water quality in agricultural areas of the County and that these water quality efforts are consistent with the intent of the Water Quality Protection Fund.

While the \$320,000 increase represents about a \$1.20 impact on the ERU rate, DEP and OMB staff confirmed that this expenditure increase can be absorbed within the Fund with the FY15 ERU rate recommended by the County Executive. The fiscal plan assumes to build up a substantial reserve in FY15 and FY16 (well above the policy level; in order to smooth rates in anticipation of higher expenditures in future years).

Given the two points above, Council Staff is supportive of adding the \$320,000 to the Water Quality Protection Fund budget.

Bag Tax

The Council approved the Carryout Bag Excise Tax on May 3, 2011. As approved, revenues and expenditures associated with the tax are included within the Water Quality Protection Fund. The tax went into effect at the beginning of 2012 and the T&E Committee has received periodic updates on the bag tax and also considered potential changes to the charge last year.

FY14 estimated revenues shown in the Executive's Recommended budget are \$1.8 million, which represents a slight decline from actual FY12 revenues (\$2.4 million). However, more recent information points to higher likely revenue in FY14 (through the first 8 months of FY14, revenues of \$1.6 million have been collected). The increased revenue is the result of a steady increase in the number of participating retailers over the past two years (from 548 in January 2012 to 1,160 in February 2014). Offsetting this increase, is a decrease in the average number of bags per retailer. Given this information, the Executive is assuming FY15 revenues of \$2.15 million.

Fiscal Plan

The Water Quality Protection Fund Fiscal Plan is attached on ©8. This chart shows estimated costs, revenues, and fund balance from FY14 through FY20. Some key facts regarding the fund are noted below:

- The fund balance target is assumed to be 1.5 time debt service costs (i.e. a debt service coverage ratio of 1.5). For the first several years of the recommended fiscal plan, this target is greatly exceeded. This implies that perhaps the Water Quality Protection Charge ERU rate could be lowered for FY15 (rather than kept the same as in FY14 as recommended by the County Executive). However, beginning in FY17 fund balance drops back to the target level as additional current revenue funding to the CIP (to reduce new debt requirements) comes into play. Leaving rates unchanged in FY15 provides for a smoother progression in ERU rates over time. *NOTE: the fund balance at the end of FY15 would be \$320,000 lower, if the Soil Conservation District expenditures discussed earlier were to be added to the Fund. If added, the debt service coverage ratio would still be over 3 at the end of FY15.*
- The charge per ERU is assumed to remain unchanged in FY15 and FY16 and then begin increasing again in FY17 and beyond as debt service begins to ramp up again.
- The Fiscal Plan assumes an additional \$200,000 per year in revenue from BMP monitoring fees assumed to be paid by permittees developing property in a special protection area (per proposed Executive Regulation 9-13).

Council Staff is supportive of the Fiscal Plan assumptions for FY15.

Council Staff Recommendations (Water Quality Protection Fund)

Council Staff recommends approval of the FY15 DEP Water Quality Protection Fund Budget with an additional \$320,000 in Soil Conservation District expenditures.

Council Staff supports the County Executive's Water Quality Protection Charge ERU rate recommendation of \$88.40.

FY15 Revenues

In addition to the new Tree Canopy Fee, the Water Quality Protection Charge, and the Bag Tax discussed earlier, the DEP budget includes several other revenue items, including the Special Protection Area (SPA) Monitoring Fee, Civil Citations, and the Water and Sewer Plan Review Fee.

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.

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 (although proposed Executive Regulation 9-13 would require developers to pay a fee for the County to do the BMP monitoring out of the Water Quality Protection Fund).

In FY13, revenue for SPA monitoring fees was far higher than previously budgeted as a result of a rush by property owners to meet plan approval deadlines by May 3, 2013 and thus be grandfathered into the old standards for stormwater management and sediment control. The revenue assumed in FY15 (\$75,000) reflect Department of Permitting Services estimates for acres that could qualify for the SPA monitoring fee in FY15.

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's enforcement staff was discussed earlier. Revenue is assumed to be \$10,000, a decrease from the original FY14 estimate of \$16,000 based on actual revenues collected in FY12 and FY13.

Summary of Council Staff Recommendations

Council Staff recommends

- **Approval of the FY15 DEP General Fund budget as recommended by the County Executive with the estimated fiscal impacts for Bill 2-14 and Bill 6-14 broken out separately on the Reconciliation List.**
- **Approval of the FY15 DEP Water Quality Protection Fund budget with an additional \$320,000 in Soil Conservation District expenditures.**
- **Approval of the FY15 Water Quality Protection Charge ERU rate of \$88.40 as recommended by the County Executive.**

Attachments

KML:c:\users\levchk\documents\t&e fy15 dep budget 4 29 2014.docx

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 FY15 Operating Budget for the Department of Environmental Protection is \$21,552,438, an increase of \$991,280 or 4.8 percent from the FY14 Approved Budget of \$20,561,158. Personnel Costs comprise 42.0 percent of the budget for 85 full-time positions and two part-time positions, and a total of 92.88 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses and Capital Outlay account for the remaining 58.0 percent of the FY15 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 \$3,019,200 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 FY14 estimates reflect funding based on the FY14 approved budget. The FY15 and FY16 figures are performance targets based on the FY15 recommended budget and funding for comparable service levels in FY16.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Designed, began construction, or completed construction on 3,200 acres of impervious area of the 4,300 acre goal associated with the County's current MS4 permit.***
- ❖ ***Restored over 6,588 linear feet of degraded stream channels in Cabin John Creek and Northwest Branch watersheds.***
- ❖ ***Completed the implementation of 30 stormwater management practices in Rock Creek, Great Seneca Creek and Sligo Creek watersheds.***
- ❖ ***Accepted over 1,800 new Environmental Site Design practices and 1,050 stormwater management facilities (600 underground and 450 aboveground) for inclusion in the Stormwater Management Facility Inspection Program.***
- ❖ ***Approved 113 RainScapes rewards projects and constructed 14 neighborhood rain gardens and conducted RainScapes program training for over 230 people.***
- ❖ ***In addition to the funding for this department, the recommended budget includes grants to our community partners for environmental protection. Community organizations augment and supplement government programs by providing services such as green and sustainable business practices. These community organizations are critical to an effective network of services and are often able to provide these services in a more cost-effective, culturally appropriate, and flexible way than County Government. They also are able to leverage community resources that may be unavailable to County Government. For details, please see Community Grants: County Executive in the Non-Departmental Accounts section.***

- ❖ **Initiated partnerships with six watershed groups for watershed-specific 'Do Not Pollute' storm drain markers. Over 1,200 markers have been installed.**
- ❖ **Enhanced the Water Quality Protection Charge (WQPC) billing process through a new link from the online property tax bill to the new WQPC external web page, which shows detailed impervious data and imagery by property.**
- ❖ **Partnered with the Department of Economic Development to create the Green Investor Incentive Program legislation designed to attract the next generation of green businesses.**
- ❖ **Launched the Green Landscape Business Certification Program to help address the County's water quality and other environmental goals; nine landscape businesses have been certified to date.**
- ❖ **Partnered with the Montgomery County Chamber of Commerce to launch the Green Business Forum, a quarterly discussion on issues related to greening business operations and the green economy.**
- ❖ **Expanded social media outreach with the development of a "My Green Montgomery" Twitter feed and a YouTube Channel.**
- ❖ **Launched a pilot project in the Rock Creek Watershed to provide outreach and pet waste management stations and to evaluate effectiveness in reducing bacteria and nutrients from three privately owned community common areas.**
- ❖ **Initiated the Credit and Hardship programs and grants to Homeowner Associations (HOAs) on July 1, 2013 in accordance with the new WQPC legislation.**
- ❖ **Led efforts to pass tree canopy legislation to protect and increase the amount of tree canopy through planting following development.**
- ❖ **Conducted a comprehensive Glen Hills Area Sanitary Study.**
- ❖ **Productivity Improvements**
 - **Established a flow monitoring gauge on Ten Mile Creek to obtain on-line and real-time data, which is used to evaluate trends in flow patterns and volumes as land use changes in the watershed reducing the dependency on staffing resources.**
 - **Provided stream resource data and staff technical support to the US Environmental Protection Agency (EPA) for two workshops to begin development of a Biological Condition Gradient (BCG) for local streams. The BCG will provide greater accuracy than the currently used Index of Biological Integrity (IBI) for detecting trends in stream biological health.**
 - **Enhanced outreach/education efforts through the Stream Stewards volunteers who helped conduct workshops and have donated 683.5 hours of volunteer time, an equivalent of \$15,760 of service value.**
 - **Supplemented stream monitoring staff by enlisting and training 13 volunteer interns who completed 347 laboratory hours and 715 hours of stream resource condition monitoring.**
 - **Incorporated electronic tools for more accurate and timely entry of data during illicit discharge and detection monitoring.**
 - **Incorporated an automatic link from MC311 to the Enforcement Case Management system to pull data entered by MC311 operators to create cases. This saves data entry efforts, as well as automatically updates MC311 status as the cases are updated.**

PROGRAM CONTACTS

Contact Vicky Wan of the Department of Environmental Protection at 240.777.7722 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 4,300 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 enforce the operational effectiveness of over 4,400 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 2,000 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 FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
County Watershed Stream Quality Index of Biological Integrity (IBI) Score ¹	56.5%	58.2%	58.9%	59.5%	60.2%
Percent of the phosphorous pollution reduction goal met ²	2.26%	4.17%	7.72%	55.05%	57.53%
Percent of the nitrogen pollution reduction goal met ³	0.84%	1.58%	2.86%	29.29%	44.65%
Percent of the impervious acreage control goal met ⁴	2.53%	6.3%	9.7%	59.6%	100%
Stormwater Facility Maintenance Compliance Rate ⁵	87%	85.6%	87.1%	87.2%	87.2%

¹ The Index of Biological Integrity (IBI) score classifies watersheds by the diversity of stream life and other factors. Higher scores indicate a healthier watershed. This data is compiled on a calendar year basis.

² Change from FY14 to FY15 due to significant increases in County stormwater management projects.

³ Change from FY14 to FY15 due to significant increases in County stormwater management projects.

⁴ Change from FY14 to FY15 due to significant increases in County stormwater management projects.

⁵ 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.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	18,992,327	81.39
Enhance: Maintenance of New and Newly Transferred Stormwater Facilities	356,100	0.00
Increase Cost: Maintenance Cost for Low Impact Development (LID) CIP Projects	317,000	0.00
Increase Cost: M-NCPPC Parks Department Stormwater Management Facility Maintenance Program	276,900	0.00
Enhance: Inspections of New Stormwater and Environmental Site Design (ESD) Facilities Added to the Inventory	258,720	0.00
Increase Cost: FY15 Compensation Adjustment	201,412	0.00
Increase Cost: Annualization of Personnel Costs	99,224	-0.10
Increase Cost: Inspection and Maintenance Contract Costs	91,251	0.00
Increase Cost: Charges from Other Departments	83,791	0.00
Increase Cost: Annual Anacostia Trash Monitoring and Reporting	30,000	0.00
Increase Cost: Senior Engineer - MS4 Permit Support - Operating Expenses (Position Charged to CIP)	29,697	0.00
Increase Cost: Senior Engineer - MS4 Permit Support - Operating Expenses (Position Charged to CIP)	29,697	0.00
Increase Cost: Motor Pool Rate Adjustment	29,568	0.00
Increase Cost: 255 Rockville Pike Lease	24,940	0.00
Increase Cost: MS4 Permit Support - Contractual Services	21,250	0.00
Increase Cost: Streetsweeping	20,000	0.00
Increase Cost: Retirement Adjustment	15,531	0.00
Increase Cost: Group Insurance Adjustment	8,938	0.00
Increase Cost: Printing and Mail	1,742	0.00
Decrease Cost: Annualization of FY14 Operating Expenses	-99,224	0.00
Decrease Cost: Homeowner Association Roads Credit Program	-150,000	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY14	-200,000	0.00
Decrease Cost: Maintenance of Underground Facilities Due to Implementation of New Maintenance Protocol.	-528,680	0.00
FY15 CE Recommended	19,910,184	81.29

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.

<i>Program Performance Measures</i>	<i>Actual FY12</i>	<i>Actual FY13</i>	<i>Estimated FY14</i>	<i>Target FY15</i>	<i>Target FY16</i>
Average Number of Days to Resolve Incoming Complaints	40	26	36	36	36
Percent of Customers Satisfied with DEP Response to Environmental Complaints	71.4	70.8%	71%	71%	71%
Residential Building Energy Use as a Measure of Greenhouse Gas Reductions (Million British Thermal Units) ¹					
Non-Residential Building Energy Use as a Measure of Greenhouse Gas Reductions (Million British Thermal Units) ²					

¹ This measure is under construction. Data is being updated based on new information made available to DEP from data collected by Finance as part of the County's Fuel Energy Tax.

² This measure is under construction. Data is being updated based on new information made available to DEP from data collected by Finance as part of the County's Fuel Energy Tax.

<i>FY15 Recommended Changes</i>	<i>Expenditures</i>	<i>FTEs</i>
FY14 Approved	798,348	6.44
Add: Tree Canopy Conservation - Tree Purchases and Planting Activities	50,000	0.00
Increase Cost: Motor Pool Rate Adjustment	6,249	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY14	-40,000	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.	-5,131	0.00
FY15 CE Recommended	809,466	6.44

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, and development and implementation of the County groundwater strategy (which focuses on water quality and water supply aspects of groundwater resources). 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.

<i>FY15 Recommended Changes</i>	<i>Expenditures</i>	<i>FTEs</i>
FY14 Approved	770,483	5.05
Increase Cost: Printing and Mail	1,660	0.00
Decrease Cost: Annualization of FY14 Personnel Costs	-1,047	0.10
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	61,692	0.00
FY15 CE Recommended	832,788	5.15

BUDGET SUMMARY

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	960,782	1,012,022	974,751	1,063,458	5.1%
Employee Benefits	373,540	377,938	365,482	382,016	1.1%
County General Fund Personnel Costs	1,334,322	1,389,960	1,340,233	1,445,474	4.0%
Operating Expenses	155,504	178,871	138,871	196,780	10.0%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	1,489,826	1,568,831	1,479,104	1,642,254	4.7%
PERSONNEL					
Full-Time	40	40	40	40	—
Part-Time	1	1	1	1	—
FTEs	11.49	11.49	11.49	11.59	0.9%
REVENUES					
Other Charges/Fees	2,008,407	140,000	140,000	91,000	-35.0%
Other Fines/Forfeitures	9,935	16,000	16,000	10,000	-37.5%
Other Licenses/Permits	9,275	4,000	4,000	9,000	125.0%
Tree Canopy	0	0	0	50,000	—
County General Fund Revenues	2,027,617	160,000	160,000	160,000	—
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	2,207,361	0	0	0	—
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	2,207,361	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					
Other Intergovernmental	2,765,102	0	0	0	—
Grant Fund MCG Revenues	2,765,102	0	0	0	—
WATER QUALITY PROTECTION FUND					
EXPENDITURES					
Salaries and Wages	5,099,057	5,342,242	5,349,123	5,645,216	5.7%
Employee Benefits	1,697,331	1,854,312	1,856,280	1,960,234	5.7%
Water Quality Protection Fund Personnel Costs	6,796,388	7,196,554	7,205,403	7,605,450	5.7%
Operating Expenses	10,362,721	11,795,773	11,557,150	12,248,734	3.8%
Capital Outlay	0	0	0	56,000	—
Water Quality Protection Fund Expenditures	17,159,109	18,992,327	18,762,553	19,910,184	4.8%
PERSONNEL					
Full-Time	42	42	42	45	7.1%
Part-Time	1	1	1	1	—
FTEs	79.10	81.39	81.39	81.29	-0.1%
REVENUES					
Bag Tax	2,389,644	1,832,000	1,832,000	2,150,000	17.4%
Investment Income	3,516	0	4,400	8,540	—
Water Quality Protection Fee	22,855,040	22,882,420	24,101,094	28,273,690	23.6%
Other Charges/Fees	53,918	0	0	200,000	—
Water Quality Protection Fund Revenues	25,302,118	24,714,420	25,937,494	30,632,230	23.9%
DEPARTMENT TOTALS					
Total Expenditures	20,856,296	20,561,158	20,241,657	21,552,438	4.8%
Total Full-Time Positions	82	82	82	85	3.7%
Total Part-Time Positions	2	2	2	2	—
Total FTEs	90.59	92.88	92.88	92.88	0.0%
Total Revenues	30,094,837	24,874,420	26,097,494	30,792,230	23.8%

FY15 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY14 ORIGINAL APPROPRIATION	1,568,831	11.49
<u>Changes (with service impacts)</u>		
Add: Tree Canopy Conservation - Tree Purchases and Planting Activities [Environmental Policy and Compliance]	50,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY15 Compensation Adjustment	49,790	0.00
Increase Cost: Motor Pool Rate Adjustment [Environmental Policy and Compliance]	6,249	0.00
Increase Cost: Retirement Adjustment	4,535	0.00
Increase Cost: Group Insurance Adjustment	2,236	0.00
Increase Cost: Printing and Mail [Administration]	1,660	0.00
Decrease Cost: Annualization of FY14 Personnel Costs [Administration]	-1,047	0.10
Decrease Cost: Elimination of One-Time Items Approved in FY14 [Environmental Policy and Compliance]	-40,000	0.00
FY15 RECOMMENDED:	1,642,254	11.59
WATER QUALITY PROTECTION FUND		
FY14 ORIGINAL APPROPRIATION	18,992,327	81.39
<u>Changes (with service impacts)</u>		
Enhance: Maintenance of New and Newly Transferred Stormwater Facilities [Watershed Management]	356,100	0.00
Enhance: Inspections of New Stormwater and Environmental Site Design (ESD) Facilities Added to the Inventory [Watershed Management]	258,720	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Maintenance Cost for Low Impact Development (LID) CIP Projects [Watershed Management]	317,000	0.00
Increase Cost: M-NCPPC Parks Department Stormwater Management Facility Maintenance Program [Watershed Management]	276,900	0.00
Increase Cost: FY15 Compensation Adjustment [Watershed Management]	201,412	0.00
Increase Cost: Annualization of Personnel Costs [Watershed Management]	99,224	-0.10
Increase Cost: Inspection and Maintenance Contract Costs [Watershed Management]	91,251	0.00
Increase Cost: Charges from Other Departments [Watershed Management]	83,791	0.00
Increase Cost: Annual Anacostia Trash Monitoring and Reporting [Watershed Management]	30,000	0.00
Increase Cost: Senior Engineer - MS4 Permit Support - Operating Expenses (Position Charged to CIP) [Watershed Management]	29,697	0.00
Increase Cost: Senior Engineer - MS4 Permit Support - Operating Expenses (Position Charged to CIP) [Watershed Management]	29,697	0.00
Increase Cost: Motor Pool Rate Adjustment [Watershed Management]	29,568	0.00
Increase Cost: 255 Rockville Pike Lease [Watershed Management]	24,940	0.00
Increase Cost: MS4 Permit Support - Contractual Services [Watershed Management]	21,250	0.00
Increase Cost: Streetsweeping [Watershed Management]	20,000	0.00
Increase Cost: Retirement Adjustment [Watershed Management]	15,531	0.00
Increase Cost: Group Insurance Adjustment [Watershed Management]	8,938	0.00
Increase Cost: Printing and Mail [Watershed Management]	1,742	0.00
Decrease Cost: Annualization of FY14 Operating Expenses [Watershed Management]	-99,224	0.00
Decrease Cost: Homeowner Association Roads Credit Program [Watershed Management]	-150,000	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY14 [Watershed Management]	-200,000	0.00
Decrease Cost: Maintenance of Underground Facilities Due to Implementation of New Maintenance Protocol. [Watershed Management]	-528,680	0.00
FY15 RECOMMENDED:	19,910,184	81.29

PROGRAM SUMMARY

Program Name	FY14 Approved		FY15 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Watershed Management	18,992,327	81.39	19,910,184	81.29
Environmental Policy and Compliance	798,348	6.44	809,466	6.44
Administration	770,483	5.05	832,788	5.15
Total	20,561,158	92.88	21,552,438	92.88

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY14		FY15	
		Totals	FTEs	Totals	FTEs
WATER QUALITY PROTECTION FUND					
CIP	CIP	2,261,927	21.50	2,681,739	24.20

FUTURE FISCAL IMPACTS

Title	CE REC.		(5000's)			
	FY15	FY16	FY17	FY18	FY19	FY20
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY15 Recommended	1,642	1,642	1,642	1,642	1,642	1,642
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	10	10	10	10	10
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	1,642	1,653	1,653	1,653	1,653	1,653
WATER QUALITY PROTECTION FUND						
Expenditures						
FY15 Recommended	19,910	19,910	19,910	19,910	19,910	19,910
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	50	50	50	50	50
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Labor Contracts - Other	0	-7	-7	-7	-7	-7
These figures represent other negotiated items included in the labor agreements.						
Homeowner Association Roads Credit Phased Implementation	0	147	163	190	328	356
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	414	570	726	882	1,037
These figures represent costs associated with the inspection of new above ground and underground stormwater management facilities.						
Maintenance of New and Newly Transferred Stormwater Management Facilities	0	356	356	356	356	356
Expenditures reflect the maintenance requirements of new stormwater management facilities and existing stormwater management facilities that transfer into the County's maintenance program.						
Operating Budget Impacts of Stormwater Management CIP Projects	0	257	466	1,198	1,730	2,246
These figures represent the Operating Budget Impacts of Stormwater Management projects in the FY15-20 CIP.						
Program Growth	0	50	100	150	200	250
These figures represent the anticipated increase of expenditures related to an increase in Water Quality Protection initiatives, including the MS4 program.						
Subtotal Expenditures	19,910	21,178	21,608	22,573	23,449	24,199

FY15-20 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Water Quality Protection Fund					
FISCAL PROJECTIONS	FY14 Estimate	FY15 CE REC	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	15.69%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%
CPI (Fiscal Year)	1.62%	2.03%	2.2%	2.5%	2.6%	2.4%	2.3%
Investment Income Yield	0.19%	0.35%	0.95%	1.55%	2.15%	2.85%	3.45%
Number of Equivalent Residential Units (ERUs) Billed	276,588	326,857	372,369	372,369	372,369	372,369	372,369
Water Quality Protection Charge (\$/ERU)	\$88.40	\$88.40	\$88.40	\$92.50	\$98.00	\$125.50	\$131.00
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
BEGINNING FUND BALANCE	7,975,793	7,855,096	10,444,398	4,605,650	1,937,542	4,228,784	9,216,176
REVENUES							
Charges For Services	24,101,094	28,273,690	32,037,830	33,530,910	35,524,700	45,492,650	47,487,440
Bag Tax Receipts	1,832,000	2,150,000	1,720,000	1,376,000	1,100,800	880,640	704,512
Miscellaneous	4,400	208,540	224,420	241,970	261,320	285,620	309,180
Subtotal Revenues	25,937,494	30,632,230	33,982,250	35,148,880	36,886,820	46,658,910	48,501,132
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To General Fund	(4,213,509)	(4,306,744)	(4,227,230)	(8,409,380)	(8,407,080)	(13,808,180)	(13,998,480)
Indirect Costs	(1,196,509)	(1,287,544)	(1,206,980)	(1,206,980)	(1,206,980)	(1,206,980)	(1,206,980)
Technology Modernization	(1,129,140)	(1,206,980)	(1,206,980)	(1,206,980)	(1,206,980)	(1,206,980)	(1,206,980)
Transfers to Debt Service Fund (Non-Tax)	(67,369)	(80,564)	0	0	0	0	0
	(3,017,000)	(3,019,200)	(3,020,250)	(7,202,400)	(7,200,100)	(12,601,200)	(12,791,500)
TOTAL RESOURCES	29,699,778	34,180,582	40,199,418	31,345,150	30,417,282	37,079,514	43,718,828
CIP CURRENT REVENUE APPROPRIATION							
PSP OPER. BUDGET APPROP/ EXPS.	(1,400,000)	(3,826,000)	(13,926,000)	(6,640,000)	(1,740,000)	(1,840,000)	(1,940,000)
Operating Budget	(18,762,553)	(19,910,184)	(20,400,194)	(21,069,334)	(21,785,524)	(22,484,664)	(23,174,734)
FR - Inspection of New Facilities	0	0	(414,420)	(570,120)	(725,820)	(881,520)	(1,037,220)
FR - Homeowner Association Roads Credit Phased Implementation	0	0	(147,000)	(163,000)	(190,000)	(328,000)	(356,000)
FR - Maintenance of New and Newly Transferred Facilities	0	0	(356,100)	(356,100)	(356,100)	(356,100)	(356,100)
FR - Operating Impacts of CIP Projects	0	0	(257,000)	(466,000)	(1,198,000)	(1,730,000)	(2,246,000)
FR - Program Growth	0	0	(50,000)	(100,000)	(150,000)	(200,000)	(250,000)
FR - Labor Contracts	0	0	(43,054)	(43,054)	(43,054)	(43,054)	(43,054)
Subtotal PSP Oper Budget Approp / Exp's	(18,762,553)	(19,910,184)	(21,667,768)	(22,767,608)	(24,448,498)	(26,023,338)	(27,463,108)
OTHER CLAIMS ON FUND BALANCE	(1,682,129)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(21,844,682)	(23,736,184)	(35,593,768)	(29,407,608)	(26,188,498)	(27,863,338)	(29,403,108)
YEAR END FUND BALANCE	7,855,096	10,444,398	4,605,650	1,937,542	4,228,784	9,216,176	14,315,720
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	26.4%	30.6%	11.5%	6.2%	13.9%	24.9%	32.7%
NET REVENUE	5,978,432	9,434,502	11,107,502	11,174,292	11,231,342	19,428,592	19,831,044
DEBT SERVICE COVERAGE RATIO	1.98	3.12	3.68	1.55	1.54	1.54	1.55

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 FY16 and FY20 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 bond issuances of \$50 million in FY2016 and a \$65 million bond issuance in FY2018 are included in the fiscal plan. 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 1.5 times debt service costs.

Department of Environmental Protection		
General Fund Operating Budget - FY15		
	FY15	
	CE OMB	
	Recommended	Notes
Professional Purchase Of Service	\$ 20,000	Green Business Certification Prog
Tree Maintenance Services	15,450	Gypsy Moth Suppression
Tree Planting	50,000	Tree Planting as a result of Tree Canopy Law
Other Non-Professional Services	1,800	
Computer Equip Repairs/Maint	2,000	
Office Supplies including paper etc	4,588	
Computer Supplies & Software Licenses	5,620	
Supplies, Equipment & Materials for Compliance Team	14,220	(Note A)
Uniforms & Shoes	1,800	Union Required
Central Duplicating Chargebacks	13,300	
Copier Leases	5,720	
Assigned Motor Pool Vehicles	46,315	
Communication Charges (Landline and Cell Phones)	9,960	
Metropolitan Area Travel	100	
Computer Training	557	
Professional/Licensure/Occupational Health & Safety Training	3,150	(Note B)
Advertising Legal Compliance	2,000	Noise Waiver & Quarry License Ads
Other Board/Commis/Comm Expenditures	200	
TOTAL OPERATING EXPENSE	\$ 196,780	
Note A - Items needed in the performance of field duties. Example include: Spill absorbent, personal protective equipment, water testing kits, tools and materials for IDDE (Illicit Discharge and Elimination).		
Note B - DEPC Field staff are required to attend training classes to maintain their Registered Sanitarian License, Hazwoper (Hazardous Waste Operations and Emergency Response) Certification, and Visible Emissions Certification.		



ROCKVILLE, MARYLAND

MEMORANDUM

April 11, 2014

TO: Craig Rice, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECT: Council Bill 2-14: Environmental Sustainability- Buildings – Benchmarking

Please find attached the fiscal and economic impact statements for the above-referenced legislation.

JAH:mc

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Joseph F. Beach, Director, Department of Finance
Michael Coveyou, Department of Finance
David Platt, Department of Finance
Robert Hagedoorn, Department of Finance
David Dise, Director, Department of General Services
Greg Ossont, Department of General Services
Erika Lopez-Finn, Office of Management and Budget
Alex Espinosa, Office of Management and Budget
Felicia Zhang, Office of Management and Budget
Naeem Mia, Office of Management and Budget

Fiscal Impact Statement

Council Bill 2-14, Environmental Sustainability -- Buildings - Benchmarking

1. Legislative Summary.

Council Bill 2-14 specifies certain requirements and establishes energy benchmarking standards in County buildings.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

Revenues are not expected to change as a result of this bill.

According to DEP, one new position resulting from implementation of Bill 6-14 could also implement the requirements of Bill 2-14. DEP estimates 50% of the Program Manager I, for the commercial benchmarking program, would be required to implement Bill 2-14.

DGS estimates that 50% of the Sustainability Program Manager I needed to implement Bill 6-14 can implement the requirements of Bill 2-14.

County expenditures related to the new positions are outlined below:

Personnel Costs

Position	Area	Grade	Salary/Benefits
Program Manager I	Commercial Benchmarking Program (DEP) [50%]	23	\$47,673
Program Manager I	Sustainability Program Manager (DGS) [50%]	23	\$47,673

Total Personnel Costs

\$95,346

Operating Costs

Description	Budget
Computers & Equipment	\$1,700
General program support & supplies	\$16,666
Benchmarking/Energy Tracking Software	\$150,000

Total Personnel Costs

\$168,366

The functional area of each position and examples of specific duties each position will perform is described below.

Program Manager I (Grade 23) – Commercial Energy Programs

- (a) Benchmarking and assessment of commercial and multi-family properties
- (b) Energy efficiency retrofits
- (c) Utilization of available incentives from government, utilities and the private sector, including alternative financing programs such as Property Assessed Clean Energy (PACE) programs
- (d) Utilization of clean energy technologies and purchasing of clean energy

Program Manager I (Grade 23) – Sustainability Program Manager

- (a) 50% of time will be spent implementing the DGS Sustainability program and 50% of time will be

- implementing County building benchmarking outlined in Bill 2-14
- (b) Researching, developing, and launching green initiatives related to County-managed buildings and programs
 - (c) Communicate the results of green initiatives to internal and external customers, including communication via web, social media, and traditional media.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Total annual costs to implement Bill 2-14 are estimated to be \$112,012, or \$672,072 over six years. One-time operating expenses are estimated to be \$151,700 and are not assured to continue after the first year of implementation.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not Applicable.

5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not Applicable.

6. An estimate of the staff time needed to implement the bill.

A total of 1.0 FTE are required to implement this bill.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

A total of 1.0 FTE are required to implement this bill. This bill would impact other DEP and DGS activities if additional staffing is not provided to implement this bill.

8. An estimate of costs when an additional appropriation is needed.

An additional appropriation of \$263,712 is needed to implement this bill.

9. A description of any variable that could affect revenue and cost estimates.

Not Applicable.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable.

11. If a bill is likely to have no fiscal impact, why that is the case.

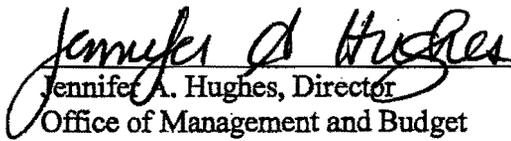
Not Applicable.

12. Other fiscal impacts or comments.

Not Applicable.

13. The following contributed to and concurred with this analysis:

Stan Edwards, Department of Environmental Protection
Kathleen Boucher, Department of Environmental Protection
Eric Coffman, Department of General Services
Alex Espinosa, Office of Management and Budget
Matt Schaeffer, Office of Management and Budget
Erika Lopez-Finn, Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget

4/11/14
Date

Economic Impact Statement
Bill 2-14, Environmental Sustainability – Buildings - Benchmarking

Background:

This legislation would require the owners of non-residential buildings to benchmark the energy use of certain buildings; require the Director (Director) of Environmental Protection¹ to issue an annual report to review and evaluate energy efficiency in certain covered buildings; require the Director to make certain benchmarking readily available to the public, and allow the Director to waive certain requirements.

1. The sources of information, assumptions, and methodologies used.

The Department of Environmental Protection (DEP) provided information to the Department of Finance (Finance) in the preparation of the economic impact statement (EIS). Finance incorporated into the EIS amendments sponsored by Councilmember Berliner as presented in a council staff memorandum dated March 24, 2014.

2. A description of any variable that could affect the economic impact estimates.

According to information provided by DEP, benchmarking and public disclosure ensures that owners of non-residential buildings, managers of such buildings, tenants and others are informed of the energy performance of non-residential buildings. Buildings that achieve higher energy performance experience higher occupancy rates, owners are able to receive higher rents and obtain greater property values compared to buildings with lesser energy performance.

3. The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

Bill 2-14 requires benchmarking by property owners of non-residential buildings. It is not possible to ascertain the costs incurred by building owners related to benchmarking. The benchmarking process requires the use of EPA's ENERGY STAR Portfolio Manager, which is a free software tool. Many building owners in the County already utilize this tool, so there would be no or minimal costs to these building owners. Property owners that are not currently using this tool may incur some expense to gather the building energy data that is required. That expense is offset by higher occupancy rates whereby there is an increase in the demand by tenants, greater business income through higher rents, and greater property values. The results of benchmarking could have a positive economic effect on investment, business income, and property values.

¹ The Department of Permitting Services was the implementing department in the original and amended versions of the bill. However, discussions at the T&E Committee on March 24, 2014, indicated this would be changed to DEP.

(14) (15)

Economic Impact Statement
Bill 2-14, Environmental Sustainability – Buildings - Benchmarking

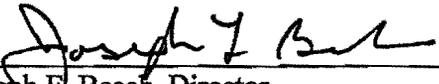
4. If a Bill is likely to have no economic impact, why is that the case?

Because Bill 2-14 only requires benchmarking and public disclosure, it will not have a direct economic impact. However, the results from benchmarking and public disclosure could result in a net economic gain to owners of non-residential properties.

5. The following contributed to or concurred with this analysis:

David Platt and Rob Hagedoorn, Department of Finance

Stan Edwards, Department of Environmental Protection



Joseph F. Beach, Director
Department of Finance

4-15-14

Date



ROCKVILLE, MARYLAND

MEMORANDUM

April 11, 2014

TO: Craig Rice, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance *JAH*

SUBJECT: Council Bill 6-14: Office of Sustainability- Created

Please find attached the fiscal and economic impact statements for the above-referenced legislation.

JAH:mc

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Joseph F. Beach, Director, Department of Finance
Michael Coveyou, Department of Finance
David Platt, Department of Finance
Robert Hagedoorn, Department of Finance
David Dise, Director, Department of General Services
Greg Ossont, Department of General Services
Erika Lopez-Finn, Office of Management and Budget
Alex Espinosa, Office of Management and Budget
Felicia Zhang, Office of Management and Budget
Naeem Mia, Office of Management and Budget

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Fiscal Impact Statement

Council Bill 6-14, Environmental Sustainability – Office of Sustainability - Created

1. Legislative Summary.

As introduced, Council Bill 6-14 established a County Office of Sustainability in the Department of Environmental Protection.

As recommended by the Transportation & Environment Committee, Bill 6-14 would be amended to create an Office of Sustainability in the Department of Environmental Protection (DEP), and an Office of Energy and Sustainability in the Department of General Services (DGS). The DEP office would focus on promoting sustainability in a variety of ways in the community, while the DGS office would engage in various sustainability activities related to County government operations.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

Revenues are not expected to change as a result of the bill.

DEP estimates that implementation of Bill 6-14 would require 11 County positions. DEP has identified five current positions that address issues of sustainability. This leaves a requirement of six additional positions in order to fully implement the Bill.

DGS estimates that implementation of Bill 6-14 would require two additional County positions, a Sustainability Program Manager and an Energy Technician. The Program Manager position would spend 50% of work time implementing the sustainability program as required by the bill and 50% of its time performing building benchmarking required in Bill 2-14.

County expenditures related to the new positions are outlined below (each position is assumed at midpoint with 35% for benefits):

Personnel Costs

Position	Area	Grade	Salary/Benefits
Program Manager I	Commercial Energy Programs (DEP) [50%]	23	\$47,673
Program Manager I	Residential Energy Programs (DEP)	23	\$95,346
Program Manager I	Green Business Programs (DEP)	23	\$95,346
Program Manager I	Tree & Forest Programs (DEP)	23	\$95,346
Program Manager I	Partnership Development (DEP)	23	\$95,346
Program Manager II	Data Analysis/Metrics/Research (DEP)	25	\$104,748
Program Manager I	Sustainability Program Manager (DGS) [50%]	23	\$47,673
Technician	Energy Technician (DGS)	16	\$68,966

Total Personnel Costs

\$650,444

(17)

Operating Costs

Description	Budget
Computers & Equipment	\$10,200
General program support & supplies	\$100,000
Website & database development	\$50,000
Intern (DGS)	\$45,000
Total Operating Costs	\$205,200

The eight new County positions will fill in various sustainability-related functions not addressed by the current DEP and DGS employees performing sustainability tasks. A detailed outline of each new position is below, including the functional area of each position and examples of specific duties these positions will perform.

Program Manager I (Grade 23) – Commercial Energy Programs

- (a) Benchmarking and assessment of commercial and multi-family properties
- (b) Energy efficiency retrofits
- (c) Utilization of available incentives from government, utilities and the private sector, including alternative financing programs such as Property Assessed Clean Energy (PACE) programs
- (d) Utilization of clean energy technologies and purchasing of clean energy

Program Manager I (Grade 23) – Residential Energy Programs

- (a) Auditing and assessment of residential properties
- (b) Energy efficiency retrofits
- (c) Utilization of available incentives from government, utilities and the private sector
- (d) Utilization of clean energy technologies and purchasing of clean energy
- (e) Healthy indoor air education programs

Program Manager I (Grade 23) – Green Business Programs

- (a) Expanding the Montgomery County Green Business Certification Program
- (b) Evaluating and promoting other robust third party green certification and reporting programs
- (c) Connecting residents and businesses to providers of green products and services
- (d) Fostering green business market opportunities

Program Manager I (Grade 23) – Tree & Forest Programs

- (a) Developing and disseminating information regarding the planting, care, and protection of trees and forests, serving as a unified resource for residents who want to increase tree canopy on their private property, in public spaces, in the right of way, in parks, in urban areas, in rural areas, etc.
- (b) Developing and promoting planting programs created as a result of the County's tree canopy law
- (c) Developing a planting program including a public engagement strategy to encourage tree planting among communities and individual citizens, and seeking new public and private partnerships to implement the program
- (d) Building and managing a website that coordinates tree planting and education efforts
- (e) Compiling data on the status of tree and forest resources in the County, including information on tree planting activities, and develop tree planting goals
- (f) Reporting on its activities to enhance tree canopy to the County Council annually

Program Manager I (Grade 23) – Partnership Development/Civic Engagement

- (a) Maintaining and leveraging partnerships with local community groups, civic organizations, HOAs and businesses to expand the County's environmental educational reach
- (b) Organizing community-based environmental activities and outreach programs

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- (c) Promoting the environmental programming and events of Montgomery County Public Schools, local colleges and universities, and other educational institutions in the County

Program Manager II (Grade 25) – Data Analysis/Metrics/Research

- (a) Maintaining data on County greenhouse gas emissions and building fuel energy consumption
- (b) Reporting progress on meeting the greenhouse gas reduction goals in the 2009 Climate Protection Plan
- (c) Evaluating options for a broader Countywide sustainability reporting framework
- (d) Providing research on and analysis of emerging sustainability issues
- (e) Providing any other data and analytical efforts in support of County's sustainability objectives

Program Manager I (Grade 23) – Sustainability Program Manager

- (a) 50% of time will be spent implementing the DGS Sustainability program and 50% of time will be implementing County building benchmarking outlined in Bill 2-14
- (b) Researching, developing, and launching green initiatives related to County-managed buildings and programs
- (c) Communicate the results of green initiatives to internal and external customers, including communication via web, social media, and traditional media.

Technician (Grade 16) - Energy Technician

- (a) Respond to energy issues in County facilities,
- (b) Provide on-site repairs and coordinate with facility and property managers,
- (c) Serve as a train-the-trainer to other DGS trades staff conducting work in County facilities.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Total annual costs are estimated to be \$795,444, or \$4,772,664 over six years.

This total does not include \$60,200 in one-time startup costs.

According to DGS, energy cost savings may result from the potential cost savings and the costs to implement initiatives designed to yield these savings cannot be determined at this time.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not Applicable.

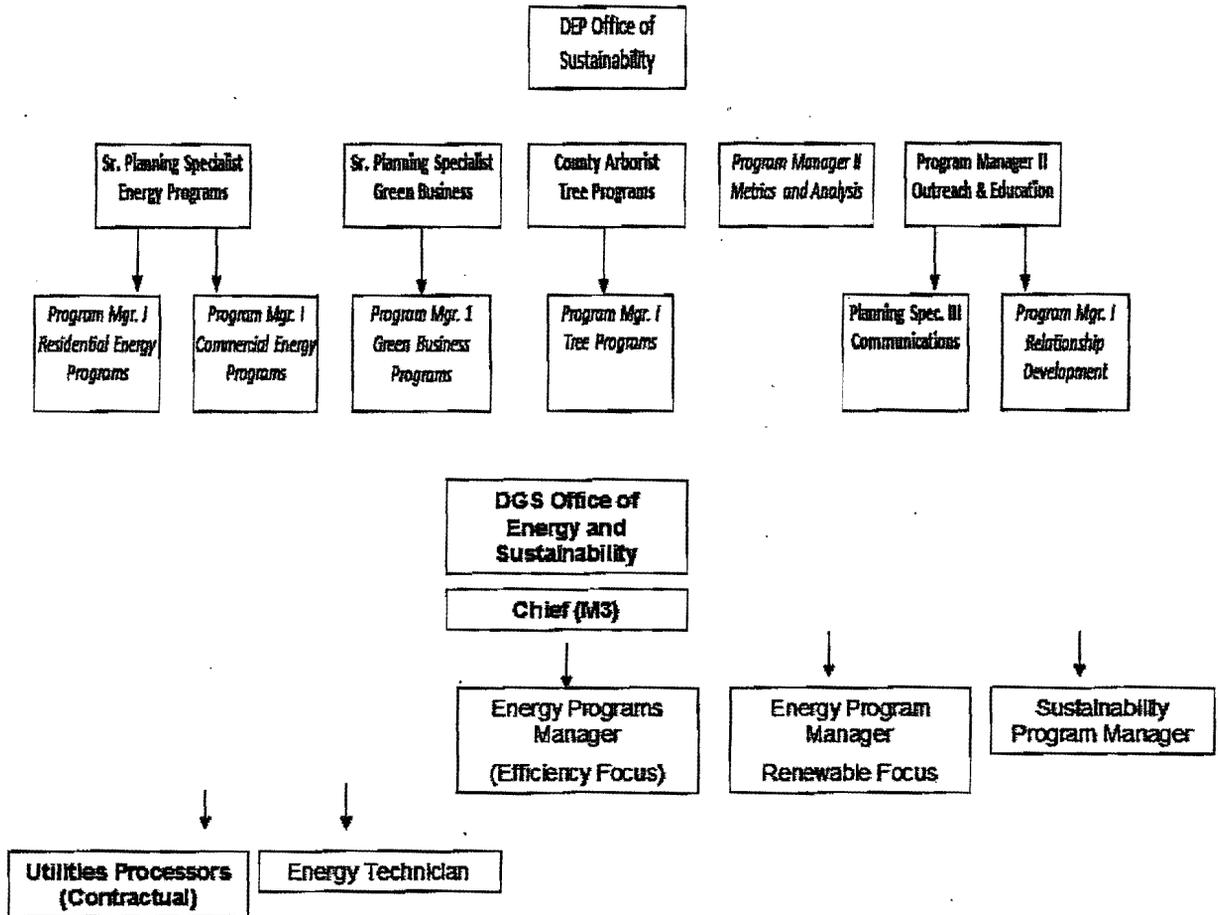
5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not Applicable.

6. An estimate of the staff time needed to implement the bill.

According to DEP and DGS, 13.00 FTEs are needed to implement this bill and will require a total increase of 7.00 FTE to the current budgets of these departments.

A preliminary staff chart of DEP and DGS Office of Sustainability, including both current and new positions, is below:



7. An explanation of how the addition of new staff responsibilities would affect other duties.

The bill would require an increase of 5.50 FTEs in DEP to establish the Office of Sustainability and implement its provisions. Without additional staffing, the bill's requirements cannot be implemented without significantly impacting DEP's other activities.

The bill would require an increase of 1.50 FTE in DGS to implement its provisions. DGS' other staff would be impacted without additional staffing to implement this bill.

8. An estimate of costs when an additional appropriation is needed.

DEP estimates the implementation costs of \$694,005 and 5.50 FTE. This requires an additional appropriation to the DEP General Fund.

DGS estimates implementation costs of \$161,639 and 1.50 FTE. This requires an additional appropriation to the DGS General Fund.

9. A description of any variable that could affect revenue and cost estimates.

Not Applicable.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable.

11. If a bill is likely to have no fiscal impact, why that is the case.

Not Applicable.

12. Other fiscal impacts or comments.

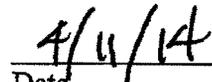
Not Applicable.

13. The following contributed to and concurred with this analysis:

Stan Edwards, Department of Environmental Protection
Kathleen Boucher, Department of Environmental Protection
Eric Coffman, Department of General Services
Alex Espinosa, Office of Management and Budget
Matt Schaeffer, Office of Management and Budget
Erika Lopez-Finn, Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget



Date

~~SECRET~~

Economic Impact Statement
Bill 6-14, Environmental Sustainability – Office of Sustainability - Established

Background:

This legislation would create the Office of Sustainability (Office) in the Department of Environmental Protection (DEP), specify the duties of the Office, and repeal and reassign the duties of the Sustainability Working Group.

1. The sources of information, assumptions, and methodologies used.

- Department of Environmental Protection
- The proposed DEP Office of Sustainability would provide services to residents and businesses, resulting in direct economic and other benefits as well as indirect benefits to the community at large. Quantifying the direct and indirect benefits of the various sustainability-related activities to County residents and businesses is complex and must be based on a variety of assumptions such as average annual savings for each homeowner implementing energy reduction measures and average annual savings for each business that implements energy reduction measures. Other direct benefits could be an increase in property values and an increase in employment by local auditors and contractors. Indirect benefits may include an increase business competitiveness and reputation and reduced air pollution and carbon emissions.
- While future actions by the Office could have an economic impact, this Bill only establishes the Office of Sustainability and specifies its duties, and therefore there are no direct economic assumptions and methodologies used to determine the economic impact of Bill 6-14.

2. A description of any variable that could affect the economic impact estimates.

Not applicable

3. The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

Bill 6-14 has no direct economic impact and therefore has no effect on employment, spending, savings, investment, incomes, and property values

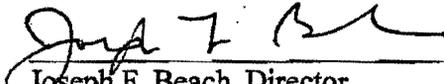
4. If a Bill is likely to have no economic impact, why is that the case?

Bill 6-14 only establishes and specifies the duties of the Office of Sustainability, and therefore this bill has no economic impact.

Economic Impact Statement
Bill 6-14, Environmental Sustainability – Office of Sustainability - Established

The following contributed to or concurred with this analysis:

David Platt and Rob Hagedoorn, Department of Finance and Stan Edwards, Department of Environmental Protection



Joseph F. Beach, Director
Department of Finance

4-15-14
Date



My Green Montgomery – Fiscal Year 2014 3rd Quarter Review

In the three years since the launch of MyGreenMontgomery.org, the program has grown dramatically in its presence and contributions to the community. The website is a portal for finding the latest green news, calendar events and ideas for greening your life.

Throughout Fiscal Year 2014, the focus of My Green Montgomery shifted from encouraging people to sign up for the green plans to focusing on the blog, guest contributions from DEP staff and outside groups, and promoting the sharing of ideas and calendar events. This refocus manifested itself in the launch of a My Green Montgomery monthly newsletter, expansion of the program's social media presence, and integration of the program with the new DEP website. My Green Montgomery features prominently on the DEP homepage with the blog and Twitter feeds serving as an up-to-date news source.

For Fiscal Year 2015, there are several projects being considered including:

- Launching a mobile and tablet friendly version of My Green Montgomery
- Increasing the frequency of blogs and the newsletter
- Starting an instagram social media feed and further expanding the social media presence
- Launching a new community outreach initiative to reintroduce the public to the program

Analytics

- Users: 8,389
- Total Number of Visits to the Site by All Users: 11,472
- Average Monthly Visits to the Site: 1,275

- Pageviews: 24,767
- Average Number of Pages Viewed Per Visit: 2.16
- Average Length of Visit: 2 minutes 9 seconds
- Percentage of New Visits: 71.54%

Top Pages

1. Homepage
2. Silver Spring GreenFest
3. Calendar
4. Green Projects
5. H2O Summit
6. FrogWatch
7. Wrap Your Water Heater and Hot Water Pipes
8. Blog
9. Silver Spring GreenFest Article
10. My Green Plan

Engaging with MyGreenMontgomery.org

Ways to Contribute to the Site:

The blog featured 45 articles with 12 guest blogs about 13 topics.

- Events Added to the Calendar: 178
- People/Groups Adding Events to the Calendar: 45

- People/Groups who Wrote a Post for the Blog: 9
- People Suggesting an Incentive or Program: 8
- People Providing Public Comments: 32
- People Providing Private Comments: 48
- People Creating User Account: 73

Ways to Participate in the Conversation:

Facebook

- People/Groups who Like My Green Montgomery on Facebook as of March 31: 269
- % Growth from July 1, 2013: 36.5%
- Total Daily Engagements with our Page: 1712
- Total Number of Engagements with our Posts: 1431

Twitter

- Twitter Followers as of March 31: 341
- % Growth from July 1, 2013: 240%
- Total Tweets: 539
- Times Content was "Retweeted": 140
- Mentions: 110
- Times our Tweets have been "Favorited": 36

The **Your Green Montgomery** Newsletter was launched in May 2013. At the beginning of the Fiscal Year 2014, 265 were on the newsletter list. On March 31st, the registration list was 325. This is an increase of 22.64%.

Organizations Regularly Contributing Content to MyGreenMontgomery:

St. James Episcopal Church
Groundswell
Bethesda Green
Elysian Energy
Center for a New American Dream

Schools with Student Contributors:

Richard Montgomery High School
Sandy Spring Friends School
Cabin John Middle School
Thomas S. Wootton High School

Contributing Events to the Calendar:

Izaak Walton League
Bethesda Green
Real Food for Kids
GreenWheaton
City of Rockville
Dawson's Market
Habitat ReStore
Montgomery Parks
Silver Spring Green
Poolesville Green
Muddy Branch Alliance
Alliance of Master Metered Condos
Chesapeake Climate Action Network
Washington Ethical Society
WSSC
Community Forklift
Climate Change is Elementary
Montgomery Countryside Alliance
Organizing for Action
Our Task, Inc.

My Green Plan:

Users who create accounts with MyGreenMontgomery.org can keep track of green projects they successfully complete through the My Green Plan.

- User Accounts: 106
- New User Accounts in Fiscal Year 2014: 14
- Average Score of Green Plan: 24.2

Costs for Gypsy Moth Suppression Program

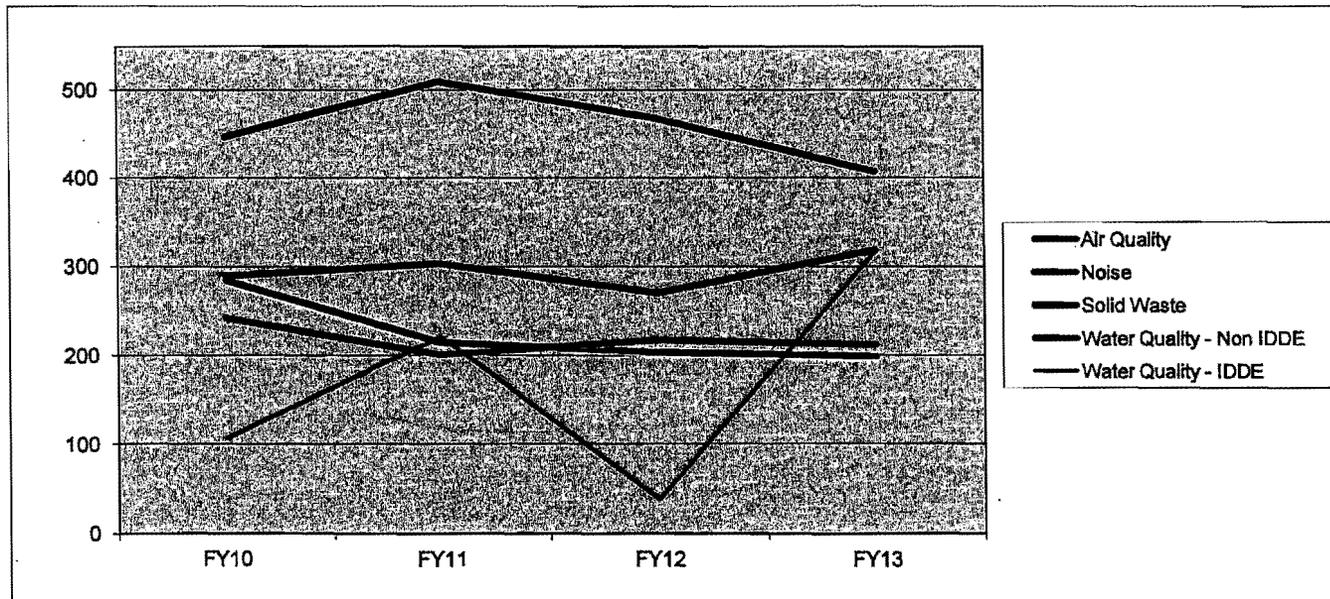
Item	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Approved	FY15 Request
Gypsy Moth Survey					
Number of plots in Montgomery County	700	574	502	700	700
Cost to MDA (50% of Total)	\$15,420	\$6,930	\$7,530	\$15,000	\$15,000
Cost to County (50% of Total)	\$15,420	\$6,930	\$7,530	\$15,000	\$15,000
Total Survey Costs	\$30,840	\$13,860	\$15,060	\$30,000	\$30,000
Total Acreage Sprayed					
Sprayed by MDA	0	0	0	0	0
Sprayed by County	0	0	0	0	0
Total Acreage Sprayed	0	0	0	0	0
Costs for MDA Spraying					
Cost to MDA and Feds (70% of Total)	\$0	\$0	\$0	\$0	\$0
Cost to County (30% of Total)	\$0	\$0	\$0	\$0	\$0
Total Costs for MDA Spraying	\$0	\$0	\$0	\$0	\$0
Costs for County Spraying					
Cost to County (100% of Total)	\$0	\$0	\$0	\$0	\$0
Costs for County Outreach					
Total Costs for County Outreach	\$0	\$0	\$0	\$0	\$0
Total Cost of Gypsy Moth Program for MCG					
Cost to MDA	\$15,420	\$6,930	\$7,530	\$15,000	\$15,000
Cost to County	\$15,420	\$6,930	\$7,530	\$15,000	\$15,000
	\$30,840	\$13,860	\$15,060	\$30,000	\$30,000

Attachment C (28)

**Compliance Cases
FY10 - FY13**

Type	Fund	FY10	FY11	FY12	FY13	Total	FY10	FY11	FY12	FY13	Total
Ambient Air	GF	158	123	133	132	546	10.2%	7.5%	9.4%	8.0%	8.8%
County Facility	GF	0	1	1		2	0.0%	0.1%	0.1%	0.0%	0.0%
Hazmat	SW	26	35	19	30	110	1.7%	2.1%	1.3%	1.8%	1.8%
Indoor Air	GF	127	92	71	67	357	8.2%	5.6%	5.0%	4.1%	5.7%
Noise	GF	289	303	270	319	1,181	18.7%	18.6%	19.1%	19.5%	19.0%
PIA	GF	181	182	214	186	763	11.7%	11.2%	15.2%	11.3%	12.2%
Solid Waste	SW	420	474	448	377	1,719	27.1%	29.1%	31.8%	23.0%	27.6%
Stormwater	WQ	126	103	118	104	451	8.1%	6.3%	8.4%	6.3%	7.2%
Water Quality - Non IDDE	WQ	116	97	99	108	420	7.5%	6.0%	7.0%	6.6%	6.7%
Water Quality - IDDE	WQ	106	220	38	317	681	6.8%	13.5%	2.7%	19.3%	10.9%
Total		1,549	1,630	1,411	1,640	6,230	100.0%	100.0%	100.0%	100.0%	100.0%

Type	Fund	FY10	FY11	FY12	FY13	Total	FY10	FY11	FY12	FY13	Total
Air Quality	GF	285	215	204	199	903	18.4%	13.2%	14.5%	12.1%	14.5%
Noise	GF	289	303	270	319	1,181	18.7%	18.6%	19.1%	19.5%	19.0%
Solid Waste	SW	446	509	467	407	1,829	28.8%	31.2%	33.1%	24.8%	29.4%
Water Quality - Non IDDE	WQ	242	200	217	212	871	15.6%	12.3%	15.4%	12.9%	14.0%
Water Quality - IDDE	WQ	106	220	38	317	681	6.8%	13.5%	2.7%	19.3%	10.9%
Total		1,368	1,447	1,196	1,454	5,465	88.3%	88.8%	84.8%	88.7%	87.7%



April 2014

Attachment B (29)

Montgomery County, Maryland
Water Quality Protection Fund
WQPC Analysis of Change in Expenditures FY14-15

	<u>FY14</u>	<u>FY15</u>	<u>+ (-)</u>	<u>Notes</u>
Personnel Costs - DEP	\$ 4,833,165	\$ 5,168,005	\$ 334,840	See Note A Below
Personnel Costs - Finance Chargeback - Collection	247,960	244,500	(3,460)	Decrease reflects decrease of # of accts used for calculation
Personnel Costs - DOT Chargeback for StormDrains	2,115,429	2,192,945	77,516	Annualization of compensation increases
Operating Costs:				
Inspection Services	950,640	1,232,670	282,030	Increase due to new & newly transferred stormwater facilities & contract cost increase
SWF Maintenance	3,564,000	3,776,370	212,370	Net increase due to new & newly transferred stormwater facilities, contract cost increase, OBI from newly added ESD facilities, and less a reduction for new maintenance protocol.
Low-Impact Development: Residential	753,220	657,206	(96,014)	Reduction to operating budget to absorb mid-year personnel changes
Targeted Streetsweeping	211,160	231,160	20,000	Increase to arterial sweeping to receive State MS4 credit
Additional Watershed Monitoring (Stream Gauges)	497,520	497,520	-	
Lease Space for 255 Rockville Pike	586,890	611,830	24,940	Increased cost of existing space
Misc. Stream Restoration Maintenance	130,020	130,020	-	
Water Quality Planning & Monitoring	19,560	19,560	-	
Department of Finance Chargeback	28,770	25,550	(3,220)	Adjustment based on # of accounts billed
MS4 Outreach and Education Programs	100,000	130,000	30,000	Consultant cost for annual mandatory reporting
SWM Database	62,880	62,880	-	
Motor Pool	189,570	219,138	29,568	Motor Pool adjustment by OMB
Operating Expenses - Storm Drain Maintenance	1,341,205	1,341,205	-	
Contract Support for Admin Hardship Program	89,100	89,100	-	
Contract Support for Admin Credit Program	89,100	89,100	-	
Contract Support for GIS Analysis	45,760	45,760	-	
Contract Support for QA/QC of SWM Drainage Area	200,000	-	(200,000)	Elimination of one-time items from FY14
Contractual - Administrative support for MS4	-	21,250	21,250	
Grants for SHA Roads	450,000	300,000	(150,000)	Reduction of estimate based on FY14 actual applications rec'd
General Operating Expenses (Phones, Supplies, etc)	88,116	93,253	5,137	
M-NCPPC Water Quality Activities - Parks	2,037,862	2,314,762	276,900	Increase requested by MNCPPC to hire five full-time employees
M-NCPPC Water Quality Activities - Planning	360,400	360,400	-	
Capital Outlay	-	56,000	56,000	Vehicles for two new Sr. Engineers (PC funded by CIP)
Subtotal Operating Budget	18,992,327	19,910,184	917,857	

Attachment E

1 of 2 (30)

\$356,100	Maintenance of New and Newly Transferred Stormwater Facilities	Provides for an additional 108 underground and 33 above ground new facilities transferred into the program.
258,7520	Inspections of New Stormwater and Environmental Site Design (ESD) Facilities added to the Inventory	Provides for the inspection of new facilities added to the inventory (above ground 152, below ground 231, and ESD 115)
317,000	Maintenance Cost for Low Impact Development (LID) CIP Projects	Provides for OBI's associated with the DEP CIP projects.
276,900	M-NCPPC Parks Dept SWMF Maintenance Program	M-NCPPC Planning Department requested an increase which is needed to replace six seasonal employees with five full time employees. The Parks department has concluded that the technical and complex nature of the Stormwater facility repair cannot be done effectively by seasonal employees due to the extensive training required and the intermitant nature of seasonal employment.
91,251	Inspection and Maintenance Contract Costs	Mandatory contract increases (CPI) for Inspection and Maintenance contracts
30,000	Annual Anacostia Trash Monitoring and Reporting	These funds added to the base budget will provide for the consultant cost for the annual required reporting
29,697	Sr. Engineer – MS4 Permit Support – Operating Exp	Sr. Engineer to support the DEP Construction Section newly created in FY13.
29,697	Sr. Engineer – MS4 Permit Support – Operating Exp	Sr. Engineer to support the DEP Construction Section newly created in FY13.
21,250	MS4 Permit Support – Contractual Services	Provides for contractual administrative support for the Watershed Management Division. (Funding - 50% WQPF and 50% CIP)
20,000	Streetsweeping	DEP has modified its streetsweeping priorities to focus on arterial roads which have lower unit costs and higher materials and pollutants collected than on residential roads. To meet State of Maryland guidelines for credit towards the MS4 permit restoration goal, minimal frequency must be twice per month.
(150,000)	Homeowner Association Roads Credit Program	Based on the applications received for FY14, DEP has refined the estimate for FY15 to \$300,000
(528,680)	Maintenance of Underground Facilities due to Implementation of New Maintenance Protocol	The FY15 reduction to the base of the Maintenance of Stormwater facilities reflects a new maintenance protocol as a result of the approved Rewarding Excellence Team proposal. Under the new protocol, DEP will perform annual pre-maintenance inspections on all underground SWM facilities to determine if maintenance is necessary. The inspection criteria were established using best professional judgment, engineering expertise, and manufacturer's recommendations. For facilities that pass the inspection, this new protocol saves the County the annual maintenance cost for that year.

1. Please provide a quick bulleted summary of the progress made by the County to date with regard to each of its NPDES-MS4 requirements.

(Response from DEP Below)

- **Legal Authority:**

The County has maintained all legal authority required for implementation of sediment and erosion control and stormwater management programs, based on review and documentation by the State of Maryland. In 2012, the County enacted two bills that are expected to result in improved water quality. Bill 11-8 is the County's Carryout Bag Law, which instituted a five-cent fee for all carryout paper and plastic bags, designed to increase reusable bags and decrease carryout bags in litter. Bill 21-12 banned the use of coal tar products reducing an identified source of toxics in many waterways in the Country. In addition, the County maintained a robust illicit discharge detection and elimination system program, including enforcement against reported water quality violations and illegal dumping, as well as participating in an innovative source identification pilot for tracking discharges from heating and ventilation system condensate lines.

- **Stormwater Facility Maintenance and Inspection:**

The DEP stormwater facility maintenance and inspection program has experienced a significant increase in its responsibilities for the triennial inspections, structural and non structural maintenance of all SWM BMPs under the County's jurisdiction and in assessing repair and maintenance needs. From FY11- FY13, the number of SWM BMPS under County jurisdiction has grown from 4,200 to 7,000. From FY11- FY13, DEP oversaw 3,578 triennial inspections and 5,440 SWM BMPs were maintained by either the DEP structural maintenance program or by the private owner of the facility. In FY13, DEP began contracting routine maintenance of publically owned LID practices, including Roadway Right-of-Way (ROW), installed to meet the Permit watershed restoration goal and this is expected to add hundreds of these facilities to the maintenance program.

- **Public Outreach and Stewardship:**

In FY13, DEP continued to expand its education and outreach programs to meet Permit requirements as outlined in its Permit-required Public Outreach and Stewardship Work Plan. Projects focused on stormwater impact education, pet waste management, lawn stewardship, anti-littering, stormwater awareness, and establishing a volunteer Stream Stewards program. Over the first four years of the permit term, DEP has participated in 200 events focused on stormwater awareness, representing direct contact with an estimated 20,000 residents. The DEP has established an annual Watershed Outreach Summit, in partnership with County municipalities and the WSSC, with over 400 participants during March 2014. Other events included the first in Spanish with "Watershed 101" seminars and 'Make and Take' Rain Barrel workshops. The RainScapes program hosted an additional 80 workshops on small scale stormwater practices for homeowners and landscape professionals, reaching an additional 3,000 residents.

- **Watershed Restoration:**
 Including FY15 projections, the County has completed, have under construction, or have in design, projects representing 3,634 acres of impervious out of the 3,976 impervious acre restoration goal. The 2010 estimate of approximately 4,300 acres of impervious has been revised to reflect more accurate data now available for controlled acres during the baseline year. During FY11-FY13, the County built projects to address 548 acres of impervious that was previously uncontrolled or inadequately controlled. DEP is designing 30 LID projects, 68 stormwater pond retrofits, and assessing 15 existing stormwater facilities for degree of stormwater controlled. An additional 14 stream restoration projects are also currently in design. These restoration projects are expected to treat an estimated 2,425 acres of impervious area. DEP anticipates constructing approximately 50 projects in FY14. Projects identified in the ongoing watershed studies will be selected through the DEP's watershed planning process for further design and implementation to meet the remaining 342 impervious acre needed to meet the 2010 MS4 Permit restoration goal.
- **Progress in reducing pollutants to meet TMDLs:**
 Including FY15 projections for projects to be built, there will be a 55% reduction in phosphorus and a 29% reduction in nitrogen towards Chesapeake Bay Restoration goals for the County. Progress in meeting local TMDLs is much slower, reflecting the limited monitoring and the much higher pollutant reductions needed to protect these waters and those that receive direct discharge from the County than is needed for County impacts to the Chesapeake Bay and its tidal tributaries. Most of the pollutant reductions have occurred in the Anacostia and Rock Creek watersheds reflecting the greater number of projects that have been built or are underway in those two watersheds compared to the others in the County.
- **Funding:**
 The MS4 Permit requires that the County budget include adequate funding to meet permit requirements. From FY10-FY13, the County increased expenditures for CIP watershed restoration projects from \$3.376 million to \$10.154 million. By FY18, the CIP budget is projected to be \$50 million with an estimated \$235 million for the FY13-FY18 CIP budget cycle. Funding for other MS4 Permit programs (monitoring, inspections, administration, and public outreach) increased by 48% from FY10 to FY13.



Montgomery Soil Conservation District

18410 Muncaster Road - Derwood, MD 20855 - Phone (301) 590-2855
www.montgomeryscd.org

March 27, 2014

The Honorable Roger Berliner
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Re: Water Quality Protection Charge Funding to assist the agricultural community

Dear Council Member Berliner:

The Montgomery Soil Conservation District (MSCD) needs your assistance to provide our agency with critical funding from the County's Water Quality Protection Charge (WQPC). Since our founding in 1945, MSCD has helped farmers to achieve their conservation goals through the protection of soil, water, and other natural resources. Rarely in our history has this mission been more important than today. The effort to restore the Chesapeake Bay and local watersheds has resulted in increased regulation and higher expectations being placed on the agricultural community. The MSCD formally requests your help to insure that we have the resources available to meet the growing demand for conservation technical assistance from Montgomery County farmers.

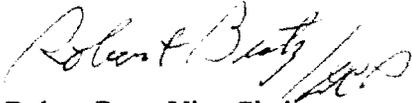
Please consider the following factors regarding our request for WQPC funds:

1. The agricultural sector faces challenging conservation goals under the Watershed Implementation Plan (WIP) developed as part of the EPA mandated Total Maximum Daily Loads (TMDL).
2. The WQPC is assessed on thousands of properties in the rural areas of the county. This funding is then used for water quality projects in urban areas. Rural landowners who pay this fee are in effect subsidizing improvements to water quality problems associated with down-county development while their own needs go un-met. A better solution would be to allocate this funding to MSCD to help farmers install conservation practices that improve water quality within our rural communities.
3. MSCD is the lead agency in providing the technical assistance necessary to help Montgomery County farmers install conservation practices that will achieve the ambitious goals mandated by the WIP. In addition, MSCD administers State and Federal cost-share programs, which enable landowners to leverage public funds, in combination with their own funding, for the purpose of installing conservation practices on their farms. It is important to insure that Montgomery landowners have as much access to these funds as their counterparts in other counties.
4. In order to effectively carry out this important work, MSCD needs additional resources to enable us to provide a higher level of service to the agricultural community. Due to budget constraints in 2010, Montgomery County DED was forced to eliminate a +25 year Conservation Planner position within MSCD. As we are a small agency, this reduction in staff was a major blow to our ability to effectively carry out our mission. Simultaneously, the dramatic increase in workload associated with the WIP has led to a serious decline in our ability to serve our customers.

Councilmen Berliner
March 27, 2014
Page Two

Please consider the attached proposal, which requests an allocation of \$320,000 in funding from the WQPC to MSCD. These funds, while less than 2% of the WQPC fund, will have a major impact on our ability to carry out our work. To date we have coordinated our effort through the Department of Environmental Protection. After working on this request for over two years however, it has become clear to us that this funding initiative will require the Council's leadership, and we thank you for championing this cause for MSCD and the agricultural community. We look forward to working with you and your staff to increase conservation in the Ag Reserve.

Sincerely,



Robert Butz, Vice Chairman
Montgomery Soil Conservation District

Enclosure

Cc: Montgomery County Councilmembers
David Weitzer, Chair Agricultural Advisory Committee
Jeremy Crisis, Director Agricultural Services-DED

Strategy for Addressing Agricultural TMDL Goals in Montgomery County through the Water Quality Protection Charge

BACKGROUND

The Montgomery Soil Conservation District (MSCD) is the lead agency for providing the technical assistance necessary to help Montgomery County farmers install conservation practices that will achieve the ambitious conservation goals established as part of the Watershed Implementation Plan (WIP) for the agricultural sector. The Montgomery County WIP was developed to meet nutrient and sediment reduction goals under the EPA mandated Total Maximum Daily Loads (TMDL), which are intended to help restore the Chesapeake Bay. The effort to restore the Chesapeake Bay and local watersheds has resulted in increased regulation and higher expectations being placed on the agricultural community.

The Water Quality Protection Charge (WQPC) is assessed on thousands of properties in the rural areas of the county. This funding is then used for water quality projects in urban areas. Rural landowners who pay this fee are in effect subsidizing improvements to water quality problems associated with down-county development while their own needs go un-met. A better solution would be to allocate this funding to MSCD to help farmers and rural landowners install conservation practices that improve water quality within our rural communities.

JUSTIFICATION

The main objectives of this proposal are:

- I. Provide the agricultural community with technical assistance for soil conservation and water quality planning and conservation practice implementation. This will help insure that the County meets the mandated TMDL goals and provide farmers with the resources they need to comply with increasing regulations surrounding the Bay cleanup effort.
- II. Insure that Montgomery landowners have full access to State and Federal cost-share programs, which enable them to leverage public funds, in combination with their own investment, for the purpose of installing conservation practices on their farms. It is important that Montgomery farmers have as much access to these funds as their counterparts in other counties.
- III. Use WQPC funds collected from rural residents to increase conservation and water quality protection in their communities rather than for problems associated with down-county development.
- IV. Restore the capacity within MSCD to fulfill the conservation needs of the agricultural community.

Best Management Practices (BMPs) installed with cost-share programs involve a unique leveraging of public and private funds. This represents an opportunity for the county to achieve water quality goals through private investment by farmers and brings federal and state funds to the county to improve our natural resources.

DESCRIPTION AND OBJECTIVES

MSCD works with landowners throughout the County to implement BMPs that improve water quality and reduce storm water impacts. Most conservation practices that farmers install have stormwater benefits in addition to the associated nutrient and sediment load reductions. Through the development of Soil Conservation and Water Quality (SCWQ) Plans for landowners, MSCD makes recommendations on conservation techniques that improve soil health and increase infiltration capacity. By allowing more rain to permeate into the soil rather than running off into streams, these practices prevent soil erosion and control stormwater flows.

Providing resources to MSCD through the WQPC will help insure that the rural landowners that pay the WQPC will have tangible water quality benefits right in their own communities. Funding from the WQPC will be used to restore the 25 year Conservation Planner position, migrate a current Conservation Planner from DED funds, and address deficiencies in MSCD's operating budget. Outreach programs will also be developed to address the increase in requests from small specialty growers that have emerged through the County's new farmer pilot program.

A portion of the proposed funding will also be used to establish a rental equipment program for conservation practices and encourage implementation of conservation practices. Many landowners are interested in a variety of conservation planting techniques, but may not have the equipment necessary to carry out these practices. This may include no-till planting practices for cover crop and pasture reseeded, as well other conservation equipment such as aerators, conservation tillage, and compost spreaders. Establishing a County cost-share program to encourage landowners to install conservation practices will reduce the burden of new state regulations on our farmers and help the agricultural sector meet the ambitious WIP goals.

PROPOSED BUDGET EXPENDITURES

Funding received by MSCD will be used to cover the following current budget shortfalls:

Re-Instate 25 year Resource Conservationist Position	\$100,000
Migrate Resource Conservationist from DED funds	\$100,000
Operating Funds	\$50,000
Conservation Matters Newsletter	\$5,000
Communications, phones, copiers, etc.	\$5,000
Office supplies, equipment, printing, etc.	\$3,000
Conservation Equipment Rental Program	\$20,000
IT Equipment	\$10,000
Workshops, Seminars, Outreach to small Agricultural landowners	\$7,000
BMP Cost-share Program	\$70,000
TOTAL REQUEST	\$320,000



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ROGER BERLINER
COUNCILMEMBER
DISTRICT 1

CHAIRMAN
TRANSPORTATION, INFRASTRUCTURE
ENERGY & ENVIRONMENT COMMITTEE

MEMORANDUM

April 14, 2014

TO: Nancy Floreen, PHED Committee Chair
Marc Elrich, PHED Committee Member
George Leventhal, PHED Committee Member

FROM: Roger Berliner, Councilmember, District 1 

SUBJECT: Assistance to Agricultural Community & Water Quality Protection Charge

I am writing to you to ask for your consideration and support of an additional \$320,000 to the Department of Economic Development (DED) budget for use by the Montgomery Soil Conservation District (MSCD). If supported by the PHED Committee, the T&E Committee will then consider use of the Water Quality Protection Charge Fund for the uses outlined by Robert Butz's March 27 letter to the County Council. I understand that \$220,000 of this request could be taken off the reconciliation list as it would not need a new funding source, only a transfer from an existing one. Therefore, the MSCD's request would require \$100,000 at most in new funding, though I understand there are some discussions about additional transfers between the CIP and Operating Budget than can be explored which may alter this number.

As you know, the MSCD helps farmers achieve their conservation goals through the protection of soil, water, and other natural resources. With increasing requirements from the state, the expectations of farmers have only increased placing necessary but difficult challenges on the agricultural community. It is essential that we provide the appropriate and adequate resources to help this important sector of our economy and community continue to thrive.

Given the dramatic increase in workload for MSCD and fairly recent budgetary cuts to the District, including the 2010 elimination of a conservation planner position, I agree that more needs to be done to support these conservation efforts. There is simply more demand for assistance than MSCD can provide. Therefore, I support the addition of \$320,000 for the restoration of one Conservation Planner position, the migration of a current Conservation Planner from the DED budget, funding to address current inadequacies in the MSCD operating budget, and establish a BMP cost-share program to assist landowners in meeting the Watershed Implementation Plan.

I plan on attending the PHED Committee discussion of these items on April 22. Thank you for your consideration of this request.

cc: Craig Rice, Council President
Hans, Riemer, Montgomery County Councilmember
Bob Hoyt, Director, DEP
Steve Silverman, Director, DED
David Weitzer, Chair, Agricultural Advisory Committee
Robert Butz, Vice Chairman, MSCD
Jeremy Criss, Agricultural Services Manager, DED
Keith Levchenko, Senior Legislative Analyst, Montgomery County Council
Steve Farber, Staff Director, Montgomery County Council
David Plummer, District Manager, MSCD
Jacob Sesker, Senior Legislative Analyst, Montgomery County Council