



# Environmental Protection

## RECOMMENDED FY22 BUDGET

\$32,971,974

## FULL TIME EQUIVALENTS

109.90

 ADAM ORTIZ, DIRECTOR

## MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to enhance the quality of life in our community by protecting and improving Montgomery County's air, water, and land in a sustainable way while fostering smart growth, a thriving economy, and healthy communities.

## BUDGET OVERVIEW

The total recommended FY22 Operating Budget for the Department of Environmental Protection is \$32,971,974, an increase of \$215,214 or 0.66 percent from the FY21 Approved Budget of \$32,756,760. Personnel Costs comprise 36.88 percent of the budget for 97 full-time position(s) and one part-time position(s), and a total of 109.90 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 63.12 percent of the FY22 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 \$9,830,020 is required in FY22 for Water Quality Protection Bonds.



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

## COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **A Greener County**
-  **Effective, Sustainable Government**

## INITIATIVES

-  Initiate a County-wide anti-litter campaign. Based on a pilot in White Oak, the goal of the outreach effort is to reduce material and debris entering the County's sewers and waterways.
-  Increase funding for Watershed Grants and RainScapes, the demand for which exceeds available funding. The programs help the County make progress on stormwater management and runoff goals on private property.

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- ★ Extensive outreach to property owners with septic systems to assist them with understanding the need to clean the systems and the benefits to groundwater and surface water quality from these efforts.
  - ★ Add a new position to enhance enforcement of the laws and regulations the Department of Environmental Protection is tasked with enforcing, such as the bans on polystyrene, single-use plastic straws, and the bag tax.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ The compliance rate of commercial property owners reporting energy usage under the County's benchmarking law increased from 58% to 91% for the 2017 to 2019 reporting periods through enhanced outreach and education as well as follow up with the property owners. Properties that have consistently benchmarked during this time period have reported reduced energy use equivalent to an estimated \$3 million in utility cost savings.
- ★ Improved ability to plant trees on individual properties through one additional staff as well as enhanced procedures for interacting with the property owners (over 750 applications were processed under the Tree Montgomery program in FY20). Improved focus on planting of trees where canopy is lacking due to disturbance and development particularly in dense urban areas and areas where attention is needed to address equity issues. Tree plantings address the goal of greenhouse gas reduction.
- ★ Extensive outreach with residents and commercial property owners to improve energy efficiency of existing buildings and educate residents about clean energy, working to reach the County's goals of greenhouse gas emissions reduction of 80% by 2027 and 100% by 2035.
- ★ Continued construction of stormwater management projects, in anticipation of receiving a new MS4 permit from Maryland Department of Environment. Continued outreach and support to property owners to allow for individual actions that contribute to improved water quality through pet waste pick up programs, rebates for RainScapes applications, and awarding of watershed improvement grants to local non-profit organizations.

## PROGRAM CONTACTS

Contact Patrice Bubar of the Department of Environmental Protection at 240.777.7786 or Richard H. Harris of the Office of Management and Budget at 240.777.2795 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY21 estimates reflect funding based on the FY21 Approved Budget. The FY22 and FY23 figures are performance targets based on the FY22 Recommended Budget and funding for comparable service levels in FY23.

## PROGRAM DESCRIPTIONS

### ★ Administration

The Office of the Director provides for overall management of departmental programs to ensure safe and efficient operations, including contract administration management for the department, continuity of operations, and oversight of operational programs at the County's waste management facilities (including the Transfer Station and Resource Recovery Facility). The Director's Office manages the revenue from the Water Quality Protection Charge, which funds many environmental programs around the

County. The Director's Office also oversees the development of the fee for services charges to County residents related to recycling and trash collection services.

The Office provides strategic direction and support on IT systems and infrastructure for departmental operations and programs, oversees the human resources and human capital programs for the department, and manages other supporting functions such as fleet vehicles. The Office provides for management of partnerships with multiple county departments with which the Department cooperates, including Permitting Services, Transportation, and General Services, as well as external groups including faith-based institutions, Park and Planning, and the Washington Suburban Sanitary Commission. The Office develops water and wastewater policies and updates the County's comprehensive water and sewer plan.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>1,233,627</b>	<b>6.85</b>
Increase Cost: Finance Operating Expense Chargeback	67,410	0.00
Increase Cost: Wheaton Building Operation Cost	7,059	0.00
Shift: Chargeback for 255 Rockville Pike Lease	(732,900)	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.	738,632	0.00
<b>FY22 Recommended</b>	<b>1,313,828</b>	<b>6.85</b>

## Energy, Climate and Compliance

The Energy, Climate and Compliance Division enforces County laws and regulations related to air and water pollution, illegal dumping, noise control, pesticides and other environmental laws. The division implements programs that educate and assist County residents with ensuring their properties are energy efficient. These programs include extensive outreach and assistance with understanding tools and financing available to increase energy efficiency. The Division is responsible for oversight and implementation of the Benchmarking Law which requires certain commercial property owners to benchmark the energy efficiency of their properties and report that to the County. The Division develops programs that will assist with reducing greenhouse gas emissions in the County, including support to the working groups for clean energy and building efficiency, created as part of the initiative to develop a Climate Action and Resiliency Plan. It also oversees programs that provide financial support to commercial property owners to improve energy efficiency such as PACE and the Green Bank, and manages the Green Business Certification Program which recognizes businesses that adapt practices that enhance sustainability.

<b>Program Performance Measures</b>	<b>Actual FY19</b>	<b>Actual FY20</b>	<b>Estimated FY21</b>	<b>Target FY22</b>	<b>Target FY23</b>
Percent of commercial buildings in compliance with the building benchmarking law	65%	91%	85%	85%	85%
Average days to close environmental cases	27	24	22	22	22
Percent of customers rating themselves as satisfied with DEP's response to environmental complaints	84%	80%	80%	80%	80%

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>1,374,904</b>	<b>9.44</b>
Add: Program Manager for Tree and Forest Programs to Address Backlog and Proactively Add Trees to Underserved Areas	77,013	1.00
Increase Cost: Compliance and Enforcement Position (Split with Disposal Fund)	31,764	0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(261,377)	(2.94)

FY22 Recommended Changes	Expenditures	FTEs
<b>FY22 Recommended</b>	<b>1,222,304</b>	<b>8.00</b>

## Watershed Restoration

The Watershed Restoration Division leads the County's efforts to improve stream health and water quality through the targeted planning, design, construction, inspection and maintenance of best management practices (BMP) built to manage stormwater runoff. The Watershed Restoration Division supports watershed-based monitoring and reporting to achieve County stream protection goals (Montgomery County Code Chapter 19, Article IV) and comply with the Federal Clean Water Act NPDES Municipal Separate Storm Sewer System (MS4) permit. Staff conducts 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 BMPs that mitigate those impacts within the County's designated "Special Protection Areas". The Division implements programs to extend stewardship and BMPs beyond streams and facilities by targeting private property owners. These programs include Tree Montgomery (Chapter 55, Article 3), RainScapes, and pet waste. The Division oversees the carry out bag tax program, which helps address issues with litter in streams.

The Watershed Restoration Division successfully implements these programs through extensive partnerships with the Maryland Department of Natural Resources, Maryland Department of the Environment, Maryland Department of Agriculture, Montgomery County Public Schools, Montgomery County Departments of Transportation and General Services, Maryland National Capital Park and Planning Commission, the Towns of Chevy Chase, Kensington, Somerset and Poolesville, and the Villages of Chevy Chase and Friendship Heights, watershed organizations, home-owner associations, businesses, and private property owners. The long-term goal is to protect and improve water resources for Montgomery County residents and the Chesapeake Bay.

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 those in the cities of Gaithersburg, Rockville, and Takoma Park. Revenue from the carry out bag tax is also provided to support these programs.

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Pounds of sediment reduced (thousands)	3,905	4,386	8,865	9,887	11,949
Percent of stormwater management triennial inspections completed <sup>1</sup>	64%	77%	81%	81%	81%
Percent of stormwater management facility maintenance work orders completed	82%	69%	81%	81%	81%
Amount of total phosphorus loads reduced or controlled (pounds / year) <sup>2</sup>	11,824	13,120	14,417	15,713	N/A
Percent of the impervious acreage control goal met	100%	100%	98%	98%	98%
Amount of total nitrogen loads reduced or controlled (pounds / year) <sup>3</sup>	23,057	24,764	26,472	28,180	N/A

<sup>1</sup> Does not include triennial inspections of BMPs on Single Family Residential (SFR) properties, which are covered under a separate inspection program.

<sup>2</sup> This measure has been modified to prepare to align with a new model based on guidance from the Maryland Department of the Environment to be consistent with other jurisdictions.

<sup>3</sup> This measure has been modified to prepare to align with a new model based on guidance from the Maryland Department of the Environment to be consistent with other jurisdictions.

FY22 Recommended Changes	Expenditures	FTEs
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FY22 Recommended Changes	Expenditures	FTEs
<b>FY21 Approved</b>	<b>30,148,229</b>	<b>92.11</b>
Add: Anti-litter Campaign	100,000	0.00
Enhance: Watershed Grants	100,000	0.00
Enhance: RainScapes Program	100,000	0.00
Increase Cost: Council of Governments Anacostia River Watershed Program	88,000	0.00
Increase Cost: Funding for Park and Planning Programming	79,518	0.00
Increase Cost: Inspection Service Program	37,697	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.	(217,602)	2.94
<b>FY22 Recommended</b>	<b>30,435,842</b>	<b>95.05</b>

## BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,388,633	1,599,669	1,385,983	1,737,926	8.6 %
Employee Benefits	423,243	467,472	411,393	465,752	-0.4 %
<b>County General Fund Personnel Costs</b>	<b>1,811,876</b>	<b>2,067,141</b>	<b>1,797,376</b>	<b>2,203,678</b>	<b>6.6 %</b>
Operating Expenses	1,183,933	1,291,390	1,288,530	1,287,605	-0.3 %
<b>County General Fund Expenditures</b>	<b>2,995,809</b>	<b>3,358,531</b>	<b>3,085,906</b>	<b>3,491,283</b>	<b>4.0 %</b>
<b>PERSONNEL</b>					
Full-Time	46	46	46	49	6.5 %
Part-Time	0	0	0	0	—
FTEs	16.70	16.29	16.29	16.29	—
<b>REVENUES</b>					
Other Charges/Fees	62,595	60,400	60,400	60,400	—
Other Fines/Forfeitures	16,400	15,000	15,000	15,000	—
Other Licenses/Permits	25,025	20,000	20,000	20,000	—
Tree Canopy	496,000	750,000	750,000	750,000	—
<b>County General Fund Revenues</b>	<b>600,020</b>	<b>845,400</b>	<b>845,400</b>	<b>845,400</b>	<b>—</b>
<b>WATER QUALITY PROTECTION FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	6,947,060	7,405,384	6,911,640	7,649,003	3.3 %
Employee Benefits	2,088,357	2,316,419	2,178,398	2,306,909	-0.4 %
<b>Water Quality Protection Fund Personnel Costs</b>	<b>9,035,417</b>	<b>9,721,803</b>	<b>9,090,038</b>	<b>9,955,912</b>	<b>2.4 %</b>
Operating Expenses	18,489,059	19,676,426	20,265,112	19,524,779	-0.8 %
<b>Water Quality Protection Fund Expenditures</b>	<b>27,524,476</b>	<b>29,398,229</b>	<b>29,355,150</b>	<b>29,480,691</b>	<b>0.3 %</b>
<b>PERSONNEL</b>					
Full-Time	46	46	46	48	4.4 %

## BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
Part-Time	1	1	1	1	—
FTEs	93.17	92.11	92.11	93.61	1.6 %
<b>REVENUES</b>					
Bag Tax	2,618,409	2,500,000	2,500,000	2,500,000	—
Investment Income	755,645	750,000	200,000	300,000	-60.0 %
Other Charges/Fees	78,812	47,500	47,500	47,500	—
Water Quality Protection Charge	38,022,503	38,993,180	38,993,180	41,137,400	5.5 %
<b>Water Quality Protection Fund Revenues</b>	<b>41,475,369</b>	<b>42,290,680</b>	<b>41,740,680</b>	<b>43,984,900</b>	<b>4.0 %</b>
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>30,520,285</b>	<b>32,756,760</b>	<b>32,441,056</b>	<b>32,971,974</b>	<b>0.7 %</b>
<b>Total Full-Time Positions</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>97</b>	<b>5.4 %</b>
<b>Total Part-Time Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>—</b>
<b>Total FTEs</b>	<b>109.87</b>	<b>108.40</b>	<b>108.40</b>	<b>109.90</b>	<b>1.4 %</b>
<b>Total Revenues</b>	<b>42,075,389</b>	<b>43,136,080</b>	<b>42,586,080</b>	<b>44,830,300</b>	<b>3.9 %</b>

## FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
	<b>FY21 ORIGINAL APPROPRIATION</b>	<b>3,358,531 16.29</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Annualization of FY21 Personnel Costs	81,664	0.00
Increase Cost: FY21 Compensation Adjustment	44,790	0.00
Increase Cost: FY22 Compensation Adjustment	19,701	0.00
Increase Cost: Motor Pool Adjustment	13,134	0.00
Decrease Cost: Print and Mail Adjustment	(31)	0.00
Decrease Cost: Retirement Adjustment	(9,618)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY21	(16,888)	0.00
	<b>FY22 RECOMMENDED</b>	<b>3,491,283 16.29</b>
<b>WATER QUALITY PROTECTION FUND</b>		
	<b>FY21 ORIGINAL APPROPRIATION</b>	<b>29,398,229 92.11</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Anti-litter Campaign [Watershed Restoration]	100,000	0.00
Enhance: Watershed Grants [Watershed Restoration]	100,000	0.00
Enhance: RainScapes Program [Watershed Restoration]	100,000	0.00

## FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
Add: Program Manager for Tree and Forest Programs to Address Backlog and Proactively Add Trees to Underserved Areas [Energy, Climate and Compliance]	77,013	1.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: FY21 Compensation Adjustment	143,219	0.00
Increase Cost: Council of Governments Anacostia River Watershed Program [Watershed Restoration]	88,000	0.00
Increase Cost: Funding for Park and Planning Programming [Watershed Restoration]	79,518	0.00
Increase Cost: Finance Operating Expense Chargeback [Administration]	67,410	0.00
Increase Cost: FY22 Compensation Adjustment	64,355	0.00
Increase Cost: Inspection Service Program [Watershed Restoration]	37,697	0.00
Increase Cost: Complaine and Enforcement Position (Split with Disposal Fund) [Energy, Climate and Compliance]	31,764	0.50
Increase Cost: Motor Pool Adjustment	28,188	0.00
Increase Cost: Wheaton Building Operation Cost [Administration]	7,059	0.00
Decrease Cost: Print and Mail Adjustment	(31)	0.00
Decrease Cost: Retirement Adjustment	(12,814)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY21	(26,588)	0.00
Decrease Cost: Annualization of FY21 Personnel Costs	(69,428)	0.00
Shift: Chargeback for 255 Rockville Pike Lease [Administration]	(732,900)	0.00
<b>FY22 RECOMMENDED</b>	<b>29,480,691</b>	<b>93.61</b>

### GRANT FUND - MCG

<b>FY21 ORIGINAL APPROPRIATION</b>	<b>0</b>	<b>0.00</b>
<b>FY22 RECOMMENDED</b>	<b>0</b>	<b>0.00</b>

## PROGRAM SUMMARY

Program Name	FY21 APPR Expenditures	FY21 APPR FTEs	FY22 REC Expenditures	FY22 REC FTEs
Administration	1,233,627	6.85	1,313,828	6.85
Energy, Climate and Compliance	1,374,904	9.44	1,222,304	8.00
Watershed Restoration	30,148,229	92.11	30,435,842	95.05
<b>Total</b>	<b>32,756,760</b>	<b>108.40</b>	<b>32,971,974</b>	<b>109.90</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY21 Total\$	FY21 FTEs	FY22 Total\$	FY22 FTEs
<b>COUNTY GENERAL FUND</b>					
NDA - Climate Change Planning	General Fund	0	0.00	250,200	3.00

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY21 Total\$	FY21 FTEs	FY22 Total\$	FY22 FTEs
<b>WATER QUALITY PROTECTION FUND</b>					
CIP	Capital Fund	2,494,750	18.35	2,394,741	17.85
<b>Total</b>		<b>2,494,750</b>	<b>18.35</b>	<b>2,644,941</b>	<b>20.85</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY22 Recommended</b>	<b>3,491</b>	<b>3,491</b>	<b>3,491</b>	<b>3,491</b>	<b>3,491</b>	<b>3,491</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	<b>0</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>3,491</b>	<b>3,532</b>	<b>3,532</b>	<b>3,532</b>	<b>3,532</b>	<b>3,532</b>

### WATER QUALITY PROTECTION FUND

#### EXPENDITURES

<b>FY22 Recommended</b>	<b>29,481</b>	<b>29,481</b>	<b>29,481</b>	<b>29,481</b>	<b>29,481</b>	<b>29,481</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY22</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
New positions in the FY22 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>130</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>29,481</b>	<b>29,641</b>	<b>29,641</b>	<b>29,641</b>	<b>29,641</b>	<b>29,641</b>

## ANNUALIZATION OF FULL PERSONNEL COSTS

	FY22 Recommended		FY23 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Program Manager for Tree and Forest Programs to Address Backlog and Proactively Add Trees to Underserved Areas	77,013	1.00	98,801	1.00
Compliance and Enforcement Position (Split with Disposal Fund)	31,764	0.50	40,410	0.50
<b>Total</b>	<b>108,777</b>	<b>1.50</b>	<b>139,211</b>	<b>1.50</b>



FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Water Quality Protection Fund					
FISCAL PROJECTIONS	FY21 Estimate	FY22 CE Rec.	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Investment Income Yield	0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%
Number of Equivalent Residential Units (ERUs) Billed	367,400	367,400	368,000	368,000	369,000	369,000	369,000
Water Quality Protection Charge (\$/ERU)	\$107.60	\$113.50	\$118.00	\$120.00	\$125.00	\$125.00	\$125.00
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
<b>BEGINNING FUND BALANCE</b>	<b>16,507,602</b>	<b>5,304,552</b>	<b>3,184,931</b>	<b>3,064,170</b>	<b>4,233,559</b>	<b>6,287,047</b>	<b>9,331,436</b>
<b>REVENUES</b>							
Charges For Services	38,993,180	41,137,400	42,840,280	43,559,900	45,499,380	45,499,380	45,499,380
Bag Tax Receipts	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Miscellaneous	247,500	347,500	547,500	547,500	547,500	547,500	547,500
<b>Subtotal Revenues</b>	<b>41,740,680</b>	<b>43,984,900</b>	<b>45,887,780</b>	<b>46,607,400</b>	<b>48,546,880</b>	<b>48,546,880</b>	<b>48,546,880</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To General Fund	(1,837,940)	(1,876,810)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)
Indirect Costs	(1,837,940)	(1,876,810)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)
Transfers to Debt Service Fund (Non-Tax)	(8,406,310)	(9,830,020)	(10,667,864)	(10,737,334)	(10,742,714)	(10,741,814)	(10,739,914)
<b>TOTAL RESOURCES</b>	<b>48,004,032</b>	<b>37,582,622</b>	<b>36,495,307</b>	<b>37,024,696</b>	<b>40,128,184</b>	<b>42,182,573</b>	<b>45,228,862</b>
<b>CIP CURRENT REVENUE APPROPRIATION</b>							
<b>PSP OPER. BUDGET APPROX/ EXP'S.</b>	<b>(8,140,000)</b>	<b>(4,917,000)</b>	<b>(3,640,000)</b>	<b>(3,000,000)</b>	<b>(4,050,000)</b>	<b>(3,060,000)</b>	<b>(3,060,000)</b>
Operating Budget	(29,355,150)	(29,480,691)	(29,480,691)	(29,480,691)	(29,480,691)	(29,480,691)	(29,480,691)
Annualizations and One-Time (PC)	0	0	(30,434)	(30,434)	(30,434)	(30,434)	(30,434)
Labor Contracts	0	0	(141,893)	(141,893)	(141,893)	(141,893)	(141,893)
Labor Contracts Other	0	0	11,881	11,881	11,881	11,881	11,881
Operating Impacts of CIP Projects (CE Recommended FY21-26 PDFs)	0	0	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
<b>Subtotal PSP Oper Budget Approx / Exp's</b>	<b>(29,355,150)</b>	<b>(29,480,691)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(5,204,330)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(42,699,480)</b>	<b>(34,397,691)</b>	<b>(33,431,137)</b>	<b>(32,791,137)</b>	<b>(33,841,137)</b>	<b>(32,851,137)</b>	<b>(32,851,137)</b>
<b>YEAR END FUND BALANCE</b>	<b>5,304,552</b>	<b>3,184,931</b>	<b>3,064,170</b>	<b>4,233,559</b>	<b>6,287,047</b>	<b>9,331,436</b>	<b>12,377,725</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>11.1%</b>	<b>8.5%</b>	<b>8.4%</b>	<b>11.4%</b>	<b>15.7%</b>	<b>22.1%</b>	<b>27.4%</b>
<b>NET REVENUE</b>	<b>10,547,590</b>	<b>12,627,399</b>	<b>14,187,103</b>	<b>14,906,723</b>	<b>16,846,203</b>	<b>16,846,203</b>	<b>16,846,203</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.25</b>	<b>1.28</b>	<b>1.33</b>	<b>1.39</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>

**Assumptions:**

1. These projections are based on the County Executive's Recommended operating 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 and Operating Budget Impacts of Stormwater CIP projects between FY22 and FY26 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, which was issued by the Maryland Department of the Environment in February 2010 and remains administratively extended until a new permit is in place (expected in summer 2021). Debt service on bonds and loans 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) and \$46.5 million dated April 6, 2016 (Series 2016A). In December 2019, the County closed on \$50.7 million in Water Quality State Revolving Fund (WQSRF) Loans from the MD Department of the Environment (MDE). The actual debt service costs for the Series 2012A and 2016A bond issuances and the anticipated MDE Water Quality Revolving Loan debt service in years FY21-26 are included in the fiscal plan, as well as anticipated debt payments for loans issued to the Maryland-National Capital Park and Planning Commission issued in FY22 and FY23. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs (1.20 in FY21).

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