T&E COMMITTEE #1
April 22, 2009

Worksession

MEMORANDUM

April 20, 2009

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Keith Levchenko, Senior Legislative Analyst

SUBJECT: **Worksession: FY10 Operating Budget: Department of Environmental Protection (DEP) and FY10 Water Quality Protection Charge Rate Resolution** ***(NOTE: Solid Waste and the CIP Amendments for DEP will be reviewed under an addendum packet to Agenda Item #1)***

NOTE: Some DEP-related expenses are also included in the Climate Change Implementation Non-Departmental Account (NDA). That item is reviewed in a separate memorandum (T&E Agenda Item #3)

Those expected for this worksession:

DEP Director Robert Hoyt
Stan Edwards, Chief of Environmental Policy and Compliance
Steve Shofar, Chief of Watershed Management
Amy Stevens, Manager, Stormwater Facilities
Gladys Balderrama, Manager, Administrative Services
John Greiner, Office of Management and Budget

The Executive's recommendation for DEP is attached on ©1-9.

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, environmental monitoring of solid waste facilities, surface and groundwater quality, and pollution prevention
  - Forest preservation initiatives
- **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

Overview

For FY10, the Executive recommends total expenditures of $11,557,320 for the Department of Environmental Protection, a 1.3% increase from the FY09 approved budget. These numbers include expenditures in the General Fund as well as the Water Quality Protection Fund (but not Solid Waste Services) as presented in the following chart:

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

	Actual	Approved	CE Rec	Change FY09-FY10	
General fund	FY08	FY09	FY10	$$$	%
Personnel Costs	3,127,352	3,617,700	2,199,200	(1,418,500)	-39.2%
Operating Expenses	1,288,782	783,840	552,270	(231,570)	-29.5%
Capital Outlay		-	-	-	-
Total	**4,416,134**	**4,401,540**	**2,751,470**	**(1,650,070)**	**-37.5%**
Full-Time Positions	46	45	43	(2)	-4.4%
Part-Time Positions	5	4	2	(2)	-50.0%
Workyears	34.9	33.9	19.3	(14.6)	-43.1%
Water Quality Protection Fund					
Personnel Costs	1,502,805	1,789,650	3,306,910	1,517,260	84.8%
Operating Expenses	4,011,374	5,198,680	5,498,940	300,260	5.8%
Capital Outlay		23,500	-	(23,500)	-
Total	**5,514,179**	**7,011,830**	**8,805,850**	**1,794,020**	**25.6%**
Full-Time Positions	12	15	20	5	33.3%
Part-Time Positions	1	1	1	-	n/a
Workyears	15.6	17.1	32.8	15.7	91.8%
Totals					
Personnel Costs	**4,630,157**	**5,407,350**	**5,506,110**	**98,760**	**1.8%**
Operating Expenses	**5,300,156**	**5,982,520**	**6,051,210**	**68,690**	**1.1%**
Capital Outlay	**-**	**23,500**	**-**	**(23,500)**	**-**
Total	**9,930,313**	**11,413,370**	**11,557,320**	**143,950**	**1.3%**
Full-Time Positions	**58**	**60**	**63**	**3**	**5.0%**
Part-Time Positions	**6**	**5**	**3**	**-2**	**n/a**
Workyears	**50.5**	**51.0**	**52.1**	**1.1**	**2.2%**

The FY10 budget also assumes charges of $1,042,160 and 9.4 workyears to the CIP. DEP also continues to charge about 5.1 workyears to the Solid Waste Disposal Fund for environmental monitoring activities of the Gude and Oaks closed landfills. However, the budget presentation no longer shows this as a "charge to other departments" since Solid Waste Services is now a part of DEP.

For FY10, General Fund expenditures in the DEP budget are recommended to drop substantially, primarily as a result of the shifting of about $1.4 million in costs previously included in the General Fund portion of the budget (mostly Watershed Management Program staff as well as some maintenance and inspection costs). This issue is discussed in more detail later. Apart from this shift, the DEP General Fund budget is still seeing reductions of about 6%. Most of these reductions are achieved through the abolishment of vacant positions.

Expenditures in the Water Quality Protection Fund are recommended to increase by over 25%. The shift of expenditures from the General Fund accounts for about 17% of the increase. The balance is the result of a combination of a number of other items such as additional stormwater management facilities being added to the inspection and maintenance programs, and a new Department of Finance charge for processing the charge via the property tax bill. These and other changes are discussed in more detail later.

Position Changes

The Executive recommends a net increase of 3 full-time positions and a net decrease of 2 part-time positions across both the General Fund and the Water Quality Protection Fund.

Table 2:
Position Changes in DEP Operating Budget

	FY09 Oper Costs*	WYs	Comments
New Positions for FY10			
F/T Planning Specialist III (WQPF)	75,240	0.8	WQPF - NPDES-MS4
F/T Information Technology (GIS) Spec.	69,340	0.8	WQPF - NPDES-MS4
F/T 2 Engineers + 1 Senior Planning Spec.	6,210	2.4	WQPF - NPDES-MS4 ($201,015 charged to CIP)
Abolished Positions for FY10			
F/T Public Services Intern	(58,530)	(1.0)	Watershed Management
P/T Public Services Intern	(15,450)	(0.2)	Environmental Policy and Compliance
F/T Engineer III	(104,250)	(1.0)	Administration
Total	**(27,440)**	**1.8**	

*includes total personnel costs and associated operating expenses. New positions are lapsed .2 wys

The FY10 DEP budget includes the creation of five new positions (all funded out of the Water Quality Protection Fund) and the abolishment of three vacant positions in the General Fund. Expenditures for three of the new positions will be charged to the CIP and thus only some of the operating costs associated with the positions are presented in the Operating Budget.

Lapse

DEP's lapse for FY10 is recommended to remain unchanged at $182,350 which represents approximately 2.6% of personnel costs. According to OMB staff, this rate of lapse is similar to the lapse rates for other departments. In past years, DEP has experienced substantial

position vacancies, leading to personnel cost savings at the end of the fiscal year. As of now, DEP has 4 vacant positions and the lapse from these positions is helping DEP meet its FY09 savings target. One of the four vacant positions is recommended for abolishment in FY10. DEP has filled several positions over the past few months.

Based on past reviews, a 2% to 3% lapse rate appears reasonable for a department such as DEP under typical attrition rates.

Given DEP's FY09 hiring experience and the recommended position abolishments, **Council Staff supports the lapse assumption in the recommended budget.**

General Fund Budget

Summary Crosswalk from FY09

The FY10 CE recommendation within the DEP General Fund Budget includes a decrease of $1.65 million. A crosswalk of expenditure changes is included in the Recommended Budget (see ©6). As mentioned earlier, the shift of $1.4 million in costs to the Water Quality Protection Fund represents three quarters of the change. However, there are a number of other adjustments as noted in Table #3 below:

Table #3
DEP General Fund Budget Changes

Technical Adjustments	
Salary and Benefit Adjustments and Annualizations	40,220
Adjust motor pool rates, printing and mail, and central duplicating rates	(7,190)
Subtotal - Technical Adjustments	**33,030**
Cost Reductions	
Decrease Operating Expenses (Admin, Watershed Manage. & Env Policy & Compliance)	(61,980)
Abolish interns (Environmental Policy & Compliance, Watershed Management)	(73,980)
Reduce overtime	(29,880)
RIP Savings - abolish Planning Specialist III (Environmental Policy & Compliance)	(72,060)
Abolish Engineer III position (Administration)	(104,250)
Shift maintenance and inspection costs to WQFF	(172,000)
Reduction in Gypsy Moth Suppression Costs	(18,550)
Shift charges to Water Quality Protection Fund (WQPF)	(1,212,400)
Subtotal - Cost Reductions	**(1,745,100)**
New	
Add Membership in Climate Communities	12,000
Transfer of Potomac Trash Treaty from DOT to DEP	50,000
Total Recommended Changes from FY09	**(1,650,070)**

Table #3 highlights the fact that the General Fund portion of the budget (with the exception of the cost shift to the WQPF) is changing little from the FY09 Approved Budget. With the exception of the new Climate Communities Membership and the transfer of the Potomac Trash Treaty payment to the Council of Governments from the Department of Transportation to DEP, the General Fund budget is seeing some trimming of expenditures but no major changes in scope or level of effort from FY09.

Green Business Program

This program was the only new initiative in the FY09 General Fund portion of the DEP budget ($25,000) approved last year. The Green Business program is intended to recognize and publicize businesses that are meeting certain environmental standards through a certification program modeled after programs in several other jurisdictions around the country.

DEP has been working closely with the Montgomery County Chamber of Commerce on the development of the Green Business Certification Program. A test with 10 to 20 businesses will be conducted this May. The program is expected to go live in late FY09 or early FY10. On-site verification (a key component of the verification process) will be done by an outside vendor and paid for with the $25,000 approved in FY09 and recommended in FY10.

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 ©10) showing actual FY07, FY08, and estimated FY09, and FY10 expenditures for the program for both the County and MDA.

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

FY09 estimates are well below FY08 actuals. These results may be at least partially due to the results of the County's aggressive efforts (including additional spraying done by the County).

For FY10, the Executive is recommending about $18,550 less than approved for FY09, which is still a substantial bump up from estimated FY09 costs. If the FY09 experience in fact reflects a decline trend in the gypsy moth population, FY10 expenditures should be sufficient.

Water Quality Protection Fund Budget

Water Quality Protection Charge (see fact sheet beginning on ©12)

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

The Council is required to set the rate for this charge each year by resolution. A resolution was introduced on March 31 (OMB memorandum and draft resolution attached on ©10-11) and a public hearing is scheduled for April 21. The Executive is recommending a rate increase from $35.50 to $45.00. The net revenue[1] generated per dollar charged per equivalent residential unit (ERU) is approximately $227,000.

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

The recommended rate increase is needed to cover operating budget increases (described below) as well as changes in the CIP. The FY10 CE recommendation within the Water Quality Protection Fund Budget includes an increase of $1.8 million (26.5%). A crosswalk chart is included in the Recommended Budget (see ©6-7). A more summarized table is below:

Table #4
DEP Water Quality Protection Fund Budget Changes

Technical Adjustments	
Salary and Benefit Adjustments and Annualizations	50,810
Adjust printing and mail and other adjustments	690
Reduce Clean Water Task Force Study Funding (one-time item in FY09)	(375,000)
Reduce other one-time items	(34,130)
RIP Savings - retirement of inspector (Environmental Policy & Compliance)	(32,080)
Cost change in pass-through to the City of Gaithersburg	143,300
Subtotal - Technical Adjustments	**(246,410)**
Cost Increases/Decreases	
Shift charges to Water Quality Protection Fund (WQPF)	1,212,400
Finance department charge for billing and processing WQP charge	256,740
Modity targeted streetsweeping	(51,550)
Reduce easement preparation assistance to reflect historical usage	(64,950)
Inspection of an additional 70 swm facilities (new or transfers)	39,790
Cost changes for inspections	27,270
Maintenance of an additional 70 swm facilities	191,690
Cost changes for maintenance of swm facilities	56,240
Maintenance of retrofitted swm facilities completed in the CIP	78,000
Maintenance of stream restoration projects completed in CIP	14,000
Maintenance of Montclair Manor Stream Restoration Project completed in the CIP	54,000
Increase cost for Downcounty Stream Gauge Maintenance	204,480
Reduce costs for Downcounty Stream Gauge Maintenance - NE, NW, PB Watersheds	(128,470)
Add Planning Specialist III for MS4 permit	75,240
Add IT Specialist III for MS4 permit	69,340
Add Two Engineers and One Senior Planning Specialist for MS4 Permit Charged to CIP	6,210
Subtotal - Cost Increases/Decreases	**2,040,430**
Total Change	**1,794,020**

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

The overall budget for FY10 is about $8.8 million. The following table breaks the FY10 costs down by major categories and shows expenditure trends from FY09:

Table #5:
Water Quality Protection Fund FY09 Recommended Expenditures by Type

	Expenditures		Change from FY09	
Item	FY09	FY10	$	%
Personnel Costs, Other Operating Costs, Capital Outlay	1,946,190	3,317,830	1,371,640	70.5%
Inspections and Maintenance and non-CIP improvements	3,472,140	3,921,030	448,890	12.9%
LID Work (residential and governmental, non-cip)	434,810	434,810	-	0.0%
Street Sweeping	331,360	279,810	(51,550)	-15.6%
City of Gaithersburg WQPC Reimbursement	452,330	595,630	143,300	31.7%
Department of Finance Chargeback	-	256,740	256,740	-
Task Force Study (one-time)	375,000	-	(375,000)	-100.0%
Total	**7,011,830**	**8,805,850**	1,794,020	25.6%

- The transfer of a substantial amount of costs currently included in the General Fund in FY09 is the single biggest change in the Fund. This change alone has about a $6 impact on the Water Quality Protection Charge rate. This issue is discussed in more detail later.

- The inspections and maintenance piece continues to grow as new facilities are built and existing facilities are added to the program. As of January 2009, there are 4,082 stormwater management facilities in the County. DEP inspects each facility every three years. These facilities range from dry ponds and wet ponds to underground infiltration trenches, sand filters and detention facilities. DEP is responsible for maintaining over 1,400 of these facilities.

- Non CIP LID work for FY10 is focused on targeted neighborhoods in Rock Creek and Glen Echo Heights.

- Targeted streetsweeping work is recommended to continue but at a decreased level as DEP focuses on arterial routes (which are more cost-effective based on actual amounts of material collected per curb mile). Residential streetsweeping in the summer and fall is being discontinued. Spring streetsweeping (in a cost-sharing arrangement with DOT) will continue following winter deicing activities.

- Clean Water Task Force Study: Three years ago, the prior County Executive established an interagency Clean Water Task Force to recommend what strategies the Council should pursue to protect and improve water quality in the County. The Task Force submitted its final report to the Council in April 2007. One of the studies recommended by the Task Force was included in the FY09 budget request ($375,000 from the Water Quality Protection Fund). DEP's water quality focus now is on planning work associated with the new NPDES-MS4 permit. These study dollars (which are expected to be encumbered in FY09) will be used to hire a consultant to assist in the development of implementation plans to meet various permit requirements during FY10.

Issues

Fiscal Plan

The Water Quality Protection Fund Fiscal Plan is attached on ©9. This chart shows estimated costs, revenues and fund balance from FY09 through FY15. Some key facts regarding the fund are noted below:

- The fund balance target has been revised for FY10 from a level of between 10 and 15 percent of resources to a 5 percent goal. This lower level goal is a reflection of the fact that the revenue stream for this fund is extremely stable (since it is collected via property tax bills). Ultimately, the County's General Fund is the fund of last resort should any County special fund be in a deficit. This change in fund balance policy provides a one-time bump in revenues going into FY10 as the fund balance is reduced from an estimated 11.6% to 5%. **Council Staff is supportive of this change.**

- With the exception of planning costs in FY10, costs for the implementation of the new NPDES-MS4 permit are not included in this plan. For instance, at prior T&E Committee briefings on the new permit, DEP provided order of magnitude costs of $108 million to achieve another 20% of watershed restoration. **Therefore, one can expect substantially higher increases in future Water Quality Protection Fund charges will be needed than those shown in the Recommended Fiscal Plan.**

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

Reallocation of General Fund costs to the Water Quality Protection Fund

For FY10, the Executive recommends allocating about $1.4 million in costs from the General Fund to the Water Quality Protection Fund. The change equates to about 11.3 workyears and reflects DEP's assumption that its water quality activities associated with the NPDES-MS4 permit should be funded out of the Water Quality Protection Fund. With this assumption in mind, DEP went through its entire personnel complement to determine which positions should be charged (in whole or in part) to the fund. Based on this review:

8.0 workyears from the Watershed Management Division charged to the General Fund in FY09 are recommended to be charged to the Water Quality Protection Fund. One position in Environmental Policy and Compliance is to be fully charged to the Water Quality Protection Fund as well. Much of the rest of the reallocation is portions of staff time from the Director's office (including the Director, administrative staff, and information technology staff). As an

example, the Department Director (who was previously charged 100 percent to the General Fund) is now charged 35 percent to the Water Quality Protection Fund. *Note: He is also charged 30% to the Solid Waste Fund now, leaving 35% allocated to the General Fund for FY10.*

Council Staff supports the new allocation of costs. This allocation is consistent with the concept that the Water Quality Protection Fund is the fundamental source of expenditures and revenues not only for stormwater facility inspections and maintenance but also for the broader effort of NPDES-MS4 permit compliance.

New National Pollutant Discharge Elimination System (NPDES) MS4 Permit Responsibilities

DEP is the lead agency for Montgomery County with regard to the County's National Pollutant Discharge Elimination System (NPDES) municipal separate storm sewer system permit. This five-year permit was renewed in July 2001 and modified in January 2004 to include six localities as "co-permittees." A new permit was scheduled to go into effect on March 20, 2009, but was stayed as a result of a challenge by an environmental group (Potomac Riverkeeper) which is seeking more specific requirements in the permit. The permit currently establishes a process for future requirements to be established through the future submission by Montgomery County of proposed implementation plans to the State. During this limbo period the old permit remains in effect. However, DEP is proceeding with its work on its implementation plans with the expectation that the new permit will eventually take effect and that these plans will be needed.

The T&E Committee discussed the new permit on March 23, 2009. Of particular note is the new status of Montgomery County Public Schools as a "co-permittee" and the requirements associated with that status. One specific budget item identified for FY10 involves the development of a storm drain inventory for all of MCPS' facilities. DEP estimates the cost to develop this inventory to be approximately $80,000 based on a previous inventory developed for County government facilities. Both MCPS staff and DEP agree that DEP should be the lead agency on this study. At the T&E Committee discussion, Council Staff suggested that the funding issue should be discussed in the context of the DEP Operating Budget.

The Executive's Recommended Budget does not include funding for this study in the DEP budget. **Council Staff recommends that $80,000 be added to the budget of the Water Quality Protection Fund for FY10 to cover these costs. To keep the recommended fund balance unchanged for FY10, Council Staff also recommends increasing the Water Quality Protection Charge by an additional 35 cents.** Without the increase, the estimated fund balance would drop to about 4.3 percent of total resources (significantly below even the new lower policy for the fund).

Assessment of the Water Quality Protection Charge for Homeowners Associations

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

For the FY09 assessments, DEP implemented a new more accurate imperviousness calculation tool across parts of the County that resulted in a substantial increase in assessments for some of these organizations. Particularly hard hit were organizations in Montgomery Village which have many privately owned roads. While not opposed to the concept of the charge, these organizations have argued that privately owned roads should be treated like public roads (which are not assessed a charge).

Because DEP did not finish updating the calculations of impervious area for the entire county, and to reduce the extent of the WQPC increase, the County Executive announced that some homeowner associations, apartment building owners, condominium owners, and commercial property owners would receive a one-time reduction in the Water Quality Protection Charge. DEP also agreed to review the issue further in developing the FY10 charges.

After reviewing Section 19-35 of the County Code, DEP believes a change in County law would be needed to change how privately owned roads are addressed. DEP is planning to review Section 19-35 in the coming year and consider a variety of possible changes and plans to review the private roads issue within this context. In the meantime, for FY10, DEP has agreed to phase-in the higher assessments resulting from the improved imperviousness calculation tool over a three-year period. **Council Staff believes this is a reasonable approach.**

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

Two years ago, the Council approved the transfer of structural maintenance of MCPS' storm water management facilities to DEP (within the Water Quality Protection Fund) after the facilities have been brought up to current standards. To date, of the 341 MCPS storm water management facilities that have been inventoried, 290 have been transferred. Another 51 facilities require some additional work to be brought up to current standards. Note: all of the "urgent" work identified previously by DEP has been completed by MCPS. **According to DEP staff, there are no more dollars available in the MCPS budget in FY09 to bring the remaining facilities up to current standards and transfer them to DEP. Council Staff is checking with MCPS to see what the estimated costs are for this work and when it plans to complete it.**

FY10 General Fund Revenues

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

Water and Sewer Plan Review Fee

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

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

According to DEP staff last year, the FY09 operating cost associated with the Water/Sewer Category Plan Review is approximately $125,000 and is based on 50% of the personnel cost of a Senior Planner position, 75% of the personnel cost of a Planning Specialist III position, and 15% operating expenses. The FY10 projected revenue for the Water/Sewer Category Plan Review is $20,000, which represents about 20 percent program cost recovery.

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

Special Protection Area (SPA) Fee

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

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

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

The FY08 budget assumed revenue of $200,000. However, the actual revenue was $120,000. FY09 and FY10 revenues are even lower ($80,000 and $50,000 respectively). According to DEP, there are a number of factors contributing to the lower fees including the downturn in the housing market, much of the developable land in the SPAs has been developed or is in the process of being developed, and delays in the build-out in Clarksburg due to previous development related issues.

Several years ago, Council Staff discussed with DEP the notion of raising this fee. However, given the intent of the fee is to cover costs (which it had been exceeding for some time); Council staff did not recommend increasing the fee at that time. However, given the drop in fee revenue expected in FY09 and FY10, Council Staff recommends that DEP revisit the notion of increasing the fee. However, given current market conditions, it's not clear a fee increase would make a substantial difference in cost recovery at this time.

Civil Citations

DEP is responsible for enforcing several areas of the County Code including: Chapter 3 (Air Quality Control), Chapter 18A (Energy Policy), Chapter 19 (Water Quality), Chapter 31B

(Noise Control), Chapter 33 (Pesticide Use), Chapter 38 (Quarries), and Chapter 48 (Solid Waste). DEP has an enforcement staff of six (1 Manager, 1 code enforcement specialist focused on illegal dumping, and 4 Environmental Health Specialists to address other areas such as air quality, water, and noise. DEP's goal is to investigate complaints within 30 days. DEP typically issues approximately 40 to 50 citations per year.

DEP considers financial penalties as a last resort for achieving compliance. Education and compliance plans are created first, followed by Notices of Violation. Finally, fines are issued. DEP's fines are considered Class A civil violations. Chapter 1 Section 1-19 of the County Code sets the fines for these violations (across all County departments that are involved in enforcing various civil violations) at $500 for the first offense and $750 for the second offense. Each day any violation of County law continues is a separate offense. However, these fines can later be reduced by a Judge if the fine is challenged in Court. The fine levels were last updated in 1991. Under State law, the fine cannot exceed $1,000.

Continual violations are referred to the State's Attorney for criminal prosecution. DEP also has the ability in some circumstances to refer cases to the Department of Permitting Services to get stop work orders. These orders are an effective tool to bring people into compliance. DEP can also refer cases to the State where the fines may be higher for certain violations.

DEP collected $18,408 in fines in FY08 and is assuming $20,000 in FY10 estimating $14,000 in fines in FY09 and is assuming a bump up to $20,000 in FY10.

The T&E Committee has previously discussed with DEP the notion of increasing fines to better deter potential violators. However, given that DEP's fines are part of the Class A violation structure, this is an issue that would need to be considered in a broader context that just DEP. Also, given that fines are a last resort in DEP's process and that DEP often sees fines reduced in court, it is not clear that an increase up to the State limit for a first or second offense would have much effect.

Summary of Council Staff Recommendations

Council Staff recommends approval of the DEP General Fund Budget as recommended by the County Executive.

Council Staff recommends approval of the Water Quality Protection Fund budget and the Water Quality Protection Fund charge with the following changes:

- **Add $80,000 in expenditures to complete a storm drain inventory of MCPS' facilities as required by the new NPDES-MS4 permit.**
- **Add 35 cents to the Water Quality Protection Charge to cover the increased expenditures recommended by Council Staff.**

Attachments
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Environmental Protection

MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to protect and enhance the quality of life in our Community through conservation, preservation, and restoration of our environment, guided by the principles of science, resource management, sustainability, and stewardship; and to provide solid waste management services, including recycling, in an environmentally progressive and economically sound manner.

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Department of Environmental Protection is $11,557,320, an increase of $143,950 or 1.3 percent from the FY09 Approved Budget of $11,413,370. Personnel Costs comprise 47.6 percent of the budget for 63 full-time positions and three part-time positions for 52.1 workyears. Operating Expenses account for the remaining 52.4 percent of the FY10 budget.

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

LINKAGE TO COUNTY RESULT AREAS

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

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

DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures that relate to multiple programs including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Headline Measures					
County's Watershed Biological Condition[1]	50.6	50.7	50.8	50.9	51.0
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Nitrogen (pounds)	NA	186,133.5	184,272.2	182,429.4	180,605.1
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Phosphorus (tons)	NA	31,548.1	31,232.6	30,920.3	30,611.1
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Sediment (tons)	NA	2,101.0	2,081.0	2,060.2	2,039.6
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Bacteria (maximum probable number or MPN)	NA	2,989.2	2,959.3	2,929.7	2,900.4
Average Number of Days to Resolve Environmental Complaint Cases	41	35	35	35	35
Percent of Customers Satisfied with DEP Response to Environmental Complaints	80.8%	81.0%	82.0%	82.0%	82.0%
Carbon Emissions Avoided Through Clean Energy Rewards Program (tons)[2]	2,565	18,808	50,000	72,500	72,500

[1] Measured by a 5-year rolling average of the combined Index of Biological Integrity (IBI) score for the County. The IBI score classifies watersheds by the diversity of plant and animal life and other factors. Higher scores indicate a healthier watershed.

[2] FY07 reflects data for first quarter only. FY08 and beyond represent cumulative emissions avoided.

ACCOMPLISHMENTS AND INITIATIVES

- ***Led the Montgomery County Sustainability Working Group which developed the first county-wide, comprehensive Sustainability Plan to guide the County government and residents toward an environmentally and economically sustainable future. A total of $50,000 is included in the Climate Change Implementation NDA to begin planning and implementation of the recommendations developed by the Working Group.***

- ***Doubled participation in the Clean Energy Rewards program, which led to a seven-fold increase in the amount of greenhouse gas emissions avoided, compared to FY07.***

- ***Prevented 3,114 tons of debris from entering storm drains and streams by instituting an enhanced street-sweeping program that includes sweeping ten times per year on arterial roads in areas within the Anacostia and Lower Rock Creek watersheds, three times per year on 1,233 miles of roads in residential areas targeted for enhanced stormwater management activities, and once per year on an additional 1,234 miles of residential roads.***

- ***Protected County streams and residents by constructing or upgrading stormwater structures to control polluted runoff from over 400 acres of land.***

- ***Restored and stabilized over 12,000 feet of degraded stream channels and eroding stream banks.***

- ***Developed and implemented the Rainscapes Rewards program, which reimburses private property owners for a portion of the cost of installing environmentally-friendly practices that reduce stormwater runoff from their yards. Reimbursements are higher for residents in six neighborhoods under the Rainscapes Targeted Neighborhood program to help encourage participation near highly degraded streams.***

- ***Developed and implemented the Green Business Certification program designed to recognize County businesses that follow environmentally sound business practices.***

- ***Initiated a tree canopy delineation project for the entire County that uses satellite imagery analysis to identify the loss of tree canopy due to land clearing and urbanization activities.***

- ***Protected over 1,000 acres from gypsy moth damage in areas of the county needing treatment but that were not included in the State's spraying program.***

- ***Will begin implementation of the new National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit, issued by the Maryland Department of the Environment and awaiting approval on March 19, 2009, by adding five positions in FY10 (two engineers, a Planning Specialist, a Senior Planning Specialist, and a GIS Specialist) to begin to plan and implement initiatives needed to comply with the new permit.***

- ***Will increase the Water Quality Protection Charge from $35.50 per equivalent residential unit (ERU) to $45.00 per ERU in FY10 to support WQPC funded programs, including additional positions and initiatives needed to plan and implement responses to the new MS4 permit, the transfer to the Water Quality Protection Fund of water quality protection expenses previously charged to the General Fund, maintenance of additional facilities, and increases in other costs.***

- ***Productivity Improvements***

  - ***Increased the accuracy of impervious area maps through enhanced GIS analysis, resulting in a more accurate assessment of the Water Quality Protection Charge.***

  - ***Reduced the average response time for addressing environmental enforcement cases by 15%, while maintaining customer satisfaction levels with DEP's response.***

  - ***Reduced the cost of the targeted street sweeping program by over $50,000 and increased the total amount of debris collected by modifying the street sweeping routes to focus on the more cost effective arterial routes and reduce the frequency of sweeping on residential routes.***

  - ***Added three real-time stream-flow gauges in the Clarksburg Special Protection Area, eliminating the need for field staff to maintain the gauges.***

  - ***Improved enforcement of the maintenance of privately owned stormwater facilities through the use of DataStream (an asset maintenance/management software system).***

2

PROGRAM CONTACTS

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

PROGRAM DESCRIPTIONS

Watershed Management

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

Program staff also manage, inspect, and enforce the operational effectiveness of over 4,100 stormwater management facilities which control impacts from stormwater runoff to protect County streams. DEP is also responsible for the structural maintenance of over 1,400 of these facilities. Revenue for the program is generated through a Water Quality Protection Charge, applied to all residential and associated non-residential properties (associated non-residential properties are non-residential properties that drain into the stormwater facilities of residential properties), except for those in the cities of Rockville and Takoma Park.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
County's Watershed Biological Condition[1]	50.6	50.7	50.8	50.9	51.0
Special Protection Area (SPA) Biological Condition[2]	71.7	72.0	72.5	72.8	73.0
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Nitrogen (pounds)	NA	186,133.5	184,272.2	182,429.4	180,605.1
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Phosphorus (tons)	NA	31,548.1	31,232.6	30,920.3	30,611.1
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Sediment (tons)	NA	2,101.0	2,081.0	2,060.2	2,039.6
Reduction of Pollutant Level Needed to Meet Water Quality Standards: Bacteria (maximum probable number or MPN)	NA	2,989.2	2,959.3	2,929.7	2,900.4

[1] Measured by a 5-year rolling average of the combined Index of Biological Integrity (IBI) score for the County. The IBI score classifies watersheds by the diversity of plant and animal life and other factors. Higher scores indicate a healthier watershed.

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

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**7,363,010**	**25.6**
Shift: Reallocate Personnel Charges and Related Operating Expenses from the General Fund to the Water Quality Protection Fund (WQPF) to More Accurately Reflect Current Resources Supporting the WQPF	1,212,400	11.3
Increase Cost: Finance Department Charge for Billing and Processing the Water Quality Protection Charge	256,740	2.2
Increase Cost: Downcounty Stream Gauge Maintenance	204,480	0.0
Increase Cost: Increase Gaithersburg Pass-Through Reimbursement	143,300	0.0
Enhance: Maintenance of 39 Stormwater Management Facilities Due to Transfer	106,500	0.0
Increase Cost: Increased Cost for Above-Ground Maintenance Due to Higher Unit Costs and Inflation	88,220	0.0
Enhance: Maintenance of 31 New Stormwater Management Facilities Due to Growth	85,190	0.0
Enhance: Maintenance of Retrofitted Stormwater Facilities Completed in the CIP	78,000	0.0
Enhance: Add New Planning Specialist III for MS4 Permit	75,240	0.8
Enhance: Add New Information Technology Specialist III (GIS Specialist) for MS4 Permit	69,340	0.8
Enhance: Maintenance of Montclair Manor Stream Restoration Project Completed in the CIP	54,000	0.0
Increase Cost: Inspection Program Cost Increase Due to Additional Facilities, Higher Unit Costs, and Inflation	42,270	0.0
Enhance: Inspection of 87 Additional Stormwater Facilities Due to Growth	39,790	0.0
Increase Cost: Annualization of FY09 Lapsed Positions - WQPF	36,810	0.6
Enhance: Maintenance of Stream Restoration Projects Completed in the CIP	14,000	0.0
Enhance: Add Two Engineer Positions and One Senior Planning Specialist for MS4 Permit Charged to CIP ($201,015, 2.4 WYs)	6,210	0.0
Increase Cost: Service Increment - WQPF	6,110	0.0
Increase Cost: Retirement Adjustment - WQPF	3,720	0.0
Increase Cost: Annualization of FY09 Personnel Costs - WQPF (FY09 Service Increment)	2,520	0.0
Increase Cost: Group Insurance Adjustment - WQPF	1,650	0.0
Increase Cost: Printing, Mail, and Other Adjustments	690	0.0

	Expenditures	WYs
Decrease Cost: Below-Ground Maintenance - Modify Stormfilter Maintenance	-11,900	0.0
Decrease Cost: Inspection Services - Reduce Budget for Bathymetric Surveys	-15,000	0.0
Decrease Cost: Above-Ground Maintenance - Modify Sand Filter Maintenance Schedule from Annual Cycle to 18 Month Cycle	-20,080	0.0
Decrease Cost: Retirement Incentive Program (RIP) Personnel Cost Savings from Retirement of Inspector	-32,080	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09	-34,130	0.0
Decrease Cost: Targeted Streetsweeping - Modify Street Sweeping Routes to Include More Cost-Effective Arterial Routes and Reduce Residential Routes	-51,550	0.0
Decrease Cost: Abolish Public Services Intern Position in Watershed Management	-58,530	-1.0
Decrease Cost: Reduce Easement Preparation Assistance to Reflect Historical Usage	-64,950	0.0
Reduce: Downcounty Stream Gauge Maintenance in the Northeast Branch, Northwest Branch, and Paint Branch Watersheds	-128,470	0.0
Decrease Cost: Complete Phase-In of Non-Structural Maintenance and Inspection of Commercial Stormwater Facilities from the General Fund to the WQPF	-172,000	0.0
Decrease Cost: Clean Water Task Force Study (one-time cost)	-375,000	0.0
Shift: Reallocate Watershed Management Personnel Charges and Related Operating Expenses from the General Fund to the WQPF to More Accurately Reflect Current Resources Supporting the WQPF	-808,320	-7.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	20,830	0.0
FY10 CE Recommended	**8,139,010**	**32.8**

Environmental Policy and Compliance

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

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Average Number of Days to Resolve Environmental Complaint Cases	41	35	35	35	35
Percent of Customers Satisfied with DEP Response to Environmental Complaints	80.8%	81.0%	82.0%	82.0%	82.0%
Carbon Emissions Avoided Through Clean Energy Rewards Program (tons)[1]	2,565	18,808	50,000	72,500	72,500

[1] FY07 reflects data for first quarter only. FY08 and beyond represent cumulative emissions avoided.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**2,077,180**	**10.7**
Add: Membership in Climate Communities	12,000	0.0
Decrease Cost: Abolish Part-Time Public Services Intern	-15,450	-0.2
Decrease Cost: Reduce Gypsy Moth Eradication Program	-18,550	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings (abolish Planning Specialist III)	-72,060	-1.0
Shift: Reallocate Environmental Policy and Compliance Personnel Charges from the General Fund to the Water Quality Protection Fund to More Accurately Reflect Current Resources Supporting the WQPF	-160,980	-1.7
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	4,610	0.0
FY10 CE Recommended	**1,826,750**	**7.8**

Administration

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

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FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,973,180**	**14.7**
Shift: Transfer of Potomac Trash Treaty COG Contribution from Department of Transportation to Department of Environmental Protection	50,000	0.0
Increase Cost: Printing, Mail, and Other Adjustments	780	0.0
Technical Adj: Abolish Part-Time Principal Administation Aide/Create Full-Time Office Services Coordinator	0	0.5
Decrease Cost: Eliminate Budgeted Overtime	-29,880	-0.6
Decrease Cost: Miscellaneous Reductions and Administrative Changes	-61,980	0.0
Decrease Cost: Abolish Engineer III Position	-104,250	-1.0
Shift: Reallocate Administration Personnel Charges from the General Fund to the Water Quality Protection Fund to More Accurately Reflect Current Resources Supporting the WQPF	-243,100	-2.1
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	6,810	0.0
FY10 CE Recommended	**1,591,560**	**11.5**

BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,372,546	2,735,450	2,555,230	1,625,310	-40.6%
Employee Benefits	754,806	882,250	803,340	573,890	-35.0%
County General Fund Personnel Costs	***3,127,352***	***3,617,700***	***3,358,570***	***2,199,200***	***-39.2%***
Operating Expenses	1,288,782	783,840	760,340	552,270	-29.5%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	***4,416,134***	***4,401,540***	***4,118,910***	***2,751,470***	***-37.5%***
PERSONNEL					
Full-Time	46	45	45	43	-4.4%
Part-Time	5	4	4	2	-50.0%
Workyears	34.9	33.9	33.9	19.3	-43.1%
REVENUES					
Civil Citations - DEP	18,408	14,000	14,000	20,000	42.9%
SPA Monitoring Fee	62,927	120,000	80,000	50,000	-58.3%
Water and Sewer Plan Review Fee	8,000	30,000	30,000	20,000	-33.3%
County General Fund Revenues	***89,335***	***164,000***	***124,000***	***90,000***	***-45.1%***
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MCG Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	20,683	0	0	0	—
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	***20,683***	***0***	***0***	***0***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Remote High Hazard Dam Monitoring 5% Initiative	15,059	0	0	0	—
Pilot Watershed Program - Task 3	5,624	0	0	0	—
Grant Fund MCG Revenues	***20,683***	***0***	***0***	***0***	—
WATER QUALITY PROTECTION FUND					
EXPENDITURES					
Salaries and Wages	1,145,437	1,330,710	1,305,170	2,527,950	90.0%
Employee Benefits	357,368	458,940	398,430	778,960	69.7%
Water Quality Protection Fund Personnel Costs	***1,502,805***	***1,789,650***	***1,703,600***	***3,306,910***	***84.8%***
Operating Expenses	4,011,374	5,198,680	5,209,010	5,498,940	5.8%
Capital Outlay	0	23,500	29,310	0	—
Water Quality Protection Fund Expenditures	***5,514,179***	***7,011,830***	***6,941,920***	***8,805,850***	***25.6%***
PERSONNEL					

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
Full-Time	12	15	15	20	33.3%
Part-Time	1	1	1	1	—
Workyears	15.6	17.1	17.1	32.8	91.8%
REVENUES					
Investment Income	284,329	150,000	70,000	60,000	-60.0%
Water Quality Protection Charge	6,010,640	8,465,140	8,465,140	10,805,440	27.6%
Water Quality Protection Fund Revenues	***6,294,969***	***8,615,140***	***8,535,140***	***10,865,440***	***26.1%***
DEPARTMENT TOTALS					
Total Expenditures	**9,950,996**	**11,413,370**	**11,060,830**	**11,557,320**	**1.3%**
Total Full-Time Positions	**58**	**60**	**60**	**63**	**5.0%**
Total Part-Time Positions	**6**	**5**	**5**	**3**	**-40.0%**
Total Workyears	**50.5**	**51.0**	**51.0**	**52.1**	**2.2%**
Total Revenues	**6,404,987**	**8,779,140**	**8,659,140**	**10,955,440**	**24.8%**

FY10 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY09 ORIGINAL APPROPRIATION	**4,401,540**	**33.9**
Changes (with service impacts)		
Add: Membership in Climate Communities [Environmental Policy and Compliance]	12,000	0.0
Other Adjustments (with no service impacts)		
Shift: Transfer of Potomac Trash Treaty COG Contribution from Department of Transportation to Department of Environmental Protection [Administration]	50,000	0.0
Increase Cost: Service Increment	17,680	0.0
Increase Cost: Retirement Adjustment	9,120	0.0
Increase Cost: Annualization of FY09 Personnel Costs	7,100	0.0
Increase Cost: Group Insurance Adjustment	6,320	0.0
Increase Cost: Printing, Mail, and Other Adjustments [Administration]	780	0.0
Technical Adj: Abolish Part-Time Principal Administation Aide/Create Full-Time Office Services Coordinator [Administration]	0	0.5
Decrease Cost: Motor Pool Rate Adjustment	-7,970	0.0
Decrease Cost: Abolish Part-Time Public Services Intern [Environmental Policy and Compliance]	-15,450	-0.2
Decrease Cost: Reduce Gypsy Moth Eradication Program [Environmental Policy and Compliance]	-18,550	0.0
Decrease Cost: Eliminate Budgeted Overtime [Administration]	-29,880	-0.6
Decrease Cost: Abolish Public Services Intern Position in Watershed Management [Watershed Management]	-58,530	-1.0
Decrease Cost: Miscellaneous Reductions and Administrative Changes [Administration]	-61,980	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings (abolish Planning Specialist III) [Environmental Policy and Compliance]	-72,060	-1.0
Decrease Cost: Abolish Engineer III Position [Administration]	-104,250	-1.0
Shift: Reallocate Environmental Policy and Compliance Personnel Charges from the General Fund to the Water Quality Protection Fund to More Accurately Reflect Current Resources Supporting the WQPF [Environmental Policy and Compliance]	-160,980	-1.7
Decrease Cost: Complete Phase-In of Non-Structural Maintenance and Inspection of Commercial Stormwater Facilities from the General Fund to the WQPF [Watershed Management]	-172,000	0.0
Shift: Reallocate Administration Personnel Charges from the General Fund to the Water Quality Protection Fund to More Accurately Reflect Current Resources Supporting the WQPF [Administration]	-243,100	-2.1
Shift: Reallocate Watershed Management Personnel Charges and Related Operating Expenses from the General Fund to the WQPF to More Accurately Reflect Current Resources Supporting the WQPF [Watershed Management]	-808,320	-7.5
FY10 RECOMMENDED:	**2,751,470**	**19.3**
WATER QUALITY PROTECTION FUND		
FY09 ORIGINAL APPROPRIATION	**7,011,830**	**17.1**
Changes (with service impacts)		
Enhance: Maintenance of 39 Stormwater Management Facilities Due to Transfer [Watershed Management]	106,500	0.0
Enhance: Maintenance of 31 New Stormwater Management Facilities Due to Growth [Watershed Management]	85,190	0.0
Enhance: Maintenance of Retrofitted Stormwater Facilities Completed in the CIP [Watershed Management]	78,000	0.0

6

	Expenditures	WYs
Enhance: Add New Planning Specialist III for MS4 Permit [Watershed Management]	75,240	0.8
Enhance: Add New Information Technology Specialist III (GIS Specialist) for MS4 Permit [Watershed Management]	69,340	0.8
Enhance: Maintenance of Montclair Manor Stream Restoration Project Completed in the CIP [Watershed Management]	54,000	0.0
Enhance: Inspection of 87 Additional Stormwater Facilities Due to Growth [Watershed Management]	39,790	0.0
Enhance: Maintenance of Stream Restoration Projects Completed in the CIP [Watershed Management]	14,000	0.0
Enhance: Add Two Engineer Positions and One Senior Planning Specialist for MS4 Permit Charged to CIP ($201,015, 2.4 WYs) [Watershed Management]	6,210	0.0
Reduce: Downcounty Stream Gauge Maintenance in the Northeast Branch, Northwest Branch, and Paint Branch Watersheds [Watershed Management]	-128,470	0.0
Other Adjustments (with no service impacts)		
Shift: Reallocate Personnel Charges and Related Operating Expenses from the General Fund to the Water Quality Protection Fund (WQPF) to More Accurately Reflect Current Resources Supporting the WQPF [Watershed Management]	1,212,400	11.3
Increase Cost: Finance Department Charge for Billing and Processing the Water Quality Protection Charge [Watershed Management]	256,740	2.2
Increase Cost: Downcounty Stream Gauge Maintenance [Watershed Management]	204,480	0.0
Increase Cost: Increase Gaithersburg Pass-Through Reimbursement [Watershed Management]	143,300	0.0
Increase Cost: Increased Cost for Above-Ground Maintenance Due to Higher Unit Costs and Inflation [Watershed Management]	88,220	0.0
Increase Cost: Inspection Program Cost Increase Due to Additional Facilities, Higher Unit Costs, and Inflation [Watershed Management]	42,270	0.0
Increase Cost: Annualization of FY09 Lapsed Positions - WQPF [Watershed Management]	36,810	0.6
Increase Cost: Service Increment - WQPF [Watershed Management]	6,110	0.0
Increase Cost: Retirement Adjustment - WQPF [Watershed Management]	3,720	0.0
Increase Cost: Annualization of FY09 Personnel Costs - WQPF (FY09 Service Increment) [Watershed Management]	2,520	0.0
Increase Cost: Group Insurance Adjustment - WQPF [Watershed Management]	1,650	0.0
Increase Cost: Printing, Mail, and Other Adjustments [Watershed Management]	690	0.0
Decrease Cost: Below-Ground Maintenance - Modify Stormfilter Maintenance [Watershed Management]	-11,900	0.0
Decrease Cost: Inspection Services - Reduce Budget for Bathymetric Surveys [Watershed Management]	-15,000	0.0
Decrease Cost: Above-Ground Maintenance - Modify Sand Filter Maintenance Schedule from Annual Cycle to 18 Month Cycle [Watershed Management]	-20,080	0.0
Decrease Cost: Retirement Incentive Program (RIP) Personnel Cost Savings from Retirement of Inspector [Watershed Management]	-32,080	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09 [Watershed Management]	-34,130	0.0
Decrease Cost: Targeted Streetsweeping - Modify Street Sweeping Routes to Include More Cost-Effective Arterial Routes and Reduce Residential Routes [Watershed Management]	-51,550	0.0
Decrease Cost: Reduce Easement Preparation Assistance to Reflect Historical Usage [Watershed Management]	-64,950	0.0
Decrease Cost: Clean Water Task Force Study (one-time cost) [Watershed Management]	-375,000	0.0
FY10 RECOMMENDED:	**8,805,850**	**32.8**

PROGRAM SUMMARY

Program Name	FY09 Approved Expenditures	FY09 Approved WYs	FY10 Recommended Expenditures	FY10 Recommended WYs
Watershed Management	7,363,010	25.6	8,139,010	32.8
Environmental Policy and Compliance	2,077,180	10.7	1,826,750	7.8
Administration	1,973,180	14.7	1,591,560	11.5
Total	**11,413,370**	**51.0**	**11,557,320**	**52.1**

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY09 TotalS	FY09 WYs	FY10 TotalS	FY10 WYs
COUNTY GENERAL FUND					
CIP	CIP	786,100	7.0	1,043,160	9.4
Solid Waste Services	Solid Waste Disposal	680,500	5.1	0	0.0
Total		**1,466,600**	**12.1**	**1,043,160**	**9.4**

FUTURE FISCAL IMPACTS

Title	CE REC. FY10	FY11	FY12	(S000's) FY13	FY14	FY15
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY10 Recommended	**2,751**	**2,751**	**2,751**	**2,751**	**2,751**	**2,751**
No inflation or compensation change is included in outyear projections.						
Labor Contracts	**0**	**9**	**9**	**9**	**9**	**9**
These figures represent the estimated cost of service increments and associated benefits.						
Subtotal Expenditures	***2,751***	***2,760***	***2,760***	***2,760***	***2,760***	***2,760***
WATER QUALITY PROTECTION FUND						
Expenditures						
FY10 Recommended	**8,806**	**8,806**	**8,806**	**8,806**	**8,806**	**8,806**
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY10	**0**	**34**	**34**	**34**	**34**	**34**
New positions in the FY10 budget are generally lapsed due to the time it takes a position to be created and filled. Therefore, the amounts above reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY10	**0**	**-10**	**-10**	**-10**	**-10**	**-10**
Items recommended for one-time funding in FY10, including computers for new employees, will be eliminated from the base in the outyears.						
Labor Contracts	**0**	**3**	**3**	**3**	**3**	**3**
These figures represent the estimated cost of service increments and associated benefits.						
Down County Stream Gauge Maintenance	**0**	**128**	**204**	**204**	**204**	**204**
DEP has a Joint Funding Agreement (JFA) with the United States Geological Survey (USGS) to operate and maintain stream gauges.						
Easement Preparation Assistance	**0**	**0**	**-40**	**-40**	**-40**	**-40**
In order to expedite transfer of over 600 existing stormwater management facilities into the County Water Quality Protection Program, the County will provide easement preparation assistance through FY11 after which funding can be removed from the base.						
Inspections of New Facilities	**0**	**21**	**51**	**81**	**112**	**142**
These figures represent costs associated with the inspection of new above and underground stormwater management facilities projected to come into the Water Quality Protection Program.						
Maintenance of New Stormwater Management Facilities Due to Growth	**0**	**85**	**170**	**256**	**341**	**426**
Expenditures reflect the maintenance requirements of new stormwater management facilities.						
Maintenance Stormwater Management Facilities Due to Transfer	**0**	**107**	**213**	**213**	**213**	**213**
Expenditures reflect costs associated with the transfer of existing stormwater management facilities into the County's maintenance program.						
Subtotal Expenditures	***8,806***	***9,175***	***9,433***	***9,548***	***9,664***	***9,779***

ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY10 Recommended Expenditures	FY10 Recommended WYs	FY11 Annualized Expenditures	FY11 Annualized WYs
Enhance: Add New Information Technology Specialist III (GIS Specialist) for MS4 Permit [Watershed Management]	64,800	0.8	81,000	1.0
Enhance: Add New Planning Specialist III for MS4 Permit [Watershed Management]	73,170	0.8	91,460	1.0
Total	**137,970**	**1.6**	**172,460**	**2.0**

FY10-15 PUBLIC SERVICES PROGRAM: FISCAL PLAN			WATER QUALITY PROTECTION FUND				
FISCAL PROJECTIONS	**FY09 ESTIMATE**	**FY10 RECOMMENDED**	**FY11 PROJECTION**	**FY12 PROJECTION**	**FY13 PROJECTION**	**FY14 PROJECTION**	**FY15 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	12.88%	13.73%	13.73%	13.73%	13.73%	13.73%	13.73%
CPI (Fiscal Year)	4.1%	3.3%	2.8%	2.5%	2.5%	2.5%	2.5%
Investment Income Yield	1.3%	1.1%	1.7%	2.6%	2.8%	3.1%	3.4%
Number of Equivalent Residential Units (ERUs)	239,653	240,071	240,071	240,071	247,204	247,204	247,204
Number of Equivalent Residential Units (ERUs) Phase-In	-	2,377	4,754	7,133	-	-	-
Number of Equivalent Residential Units (ERUs) Total Billed	-	242,448	244,825	247,204	247,204	247,204	247,204
Prior Year Credits ($)	-	-$50,170	-	-	-	-	-
Number of Gaithersburg ERUs	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Water Quality Protection Charge per ERU	$35.50	$45.00	$48.75	$49.00	$49.25	$50.00	$50.50
Collection Factor for Charge	0.995	0.995	0.995	0.995	0.995	0.995	0.995
BEGINNING FUND BALANCE	**2,567,200**	**1,253,750**	**581,460**	**647,740**	**643,570**	**623,700**	**642,860**
REVENUES							
Charges For Services	8,465,140	10,805,440	11,875,540	12,052,430	12,113,920	12,298,400	12,421,380
Miscellaneous	70,000	60,000	90,000	140,000	160,000	180,000	200,000
Subtotal Revenues	**8,535,140**	**10,865,440**	**11,965,540**	**12,192,430**	**12,273,920**	**12,478,400**	**12,621,380**
INTERFUND TRANSFERS (Net Non-CIP)	**(259,620)**	**(490,880)**	**(483,590)**	**(472,700)**	**(454,450)**	**(454,450)**	**(454,450)**
Transfers to the General Fund	(259,620)	(490,880)	(483,590)	(472,700)	(454,450)	(454,450)	(454,450)
Indirect Costs	(230,510)	(454,040)	(454,450)	(454,450)	(454,450)	(454,450)	(454,450)
Technology Modernization	(29,110)	(36,840)	(29,140)	(18,250)	0	0	0
TOTAL RESOURCES	**10,842,720**	**11,628,310**	**12,063,410**	**12,367,470**	**12,463,040**	**12,647,650**	**12,809,790**
CIP CURRENT REVENUE APPROP.	**(2,321,000)**	**(2,241,000)**	**(2,241,000)**	**(2,291,000)**	**(2,291,000)**	**(2,341,000)**	**(2,341,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,941,920)	(8,805,850)	(8,805,850)	(8,805,850)	(8,805,850)	(8,805,850)	(8,805,850)
Labor Agreement	n/a	0	(3,010)	(3,010)	(3,010)	(3,010)	(3,010)
Annualizations and One-Time (PC)	n/a	n/a	(34,490)	(34,490)	(34,490)	(34,490)	(34,490)
Annualizations and One-Time (OE)	n/a	n/a	9,560	9,560	9,560	9,560	9,560
FFIs - Maintenance of new facilities due to growth	n/a	n/a	(85,180)	(170,370)	(255,550)	(340,740)	(425,930)
FFIs - Maintenance of new facilities due to transfers	n/a	n/a	(106,500)	(213,000)	(213,000)	(213,000)	(213,000)
FFIs - Inspection of new facilities	n/a	n/a	(20,730)	(50,990)	(81,250)	(111,510)	(141,770)
FFIs - Down county stream gauge maintenance	n/a	n/a	(128,470)	(204,480)	(204,480)	(204,480)	(204,480)
FFIs - Easement preparation assistance	n/a	n/a	0	39,730	39,730	39,730	39,730
Subtotal PSP Oper Budget Approp / Exp's	**(6,941,920)**	**(8,805,850)**	**(9,174,670)**	**(9,432,900)**	**(9,548,340)**	**(9,663,790)**	**(9,779,240)**
OTHER CLAIMS ON FUND BALANCE	**(326,050)**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL USE OF RESOURCES	**(9,588,970)**	**(11,046,850)**	**(11,415,670)**	**(11,723,900)**	**(11,839,340)**	**(12,004,790)**	**(12,120,240)**
YEAR END FUND BALANCE	**1,253,750**	**581,460**	**647,740**	**643,570**	**623,700**	**642,860**	**689,550**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**11.6%**	**5.0%**	**5.4%**	**5.2%**	**5.0%**	**5.1%**	**5.4%**

1.These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here

2.The Water Quality Protection Charge is applied to all residential and associated non-residential properties (associated non-residential properties are non-residential properties that drain into the stormwater facilities of residential properties), except for those in the cities of Rockville and Takoma Park.

3.Residential and associated non-residential property starmwater facilities will be maintained to permit standards as they are phased into the program.

4.Operating costs for new facilities completed or transferred between FY10 and FY15 have been incorporated in the future fiscal impact (FFI) rows.

5.Charges are adjusted to maintain a balance of approximately 5 percent of resources. For purposes of analysis, general rate increases are shown in FY11, FY12, FY13, FY14, and FY15.

6.The operating budget includes preliminary planning costs for the new Municipal Separate Storm Sewer System (MS4) permit issued by the Maryland Department of the Environment and awaiting final approval on March 19, 2009. Potential future costs for complying with the MS4 permit will be included as they become better defined in terms of their magnitude, scape, and timing. Debt service may be used to finance the cost of MS4 compliance and to moderate the impact on the Water Quality Protection Charge.

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OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

041332

Joseph F. Beach
Director

MEMORANDUM

March 26, 2009

TO: Steven B. Farber, Council Staff Director

FROM: Joseph F. Beach, Director
Office of Management and Budget

SUBJECT: Water Quality Protection Charge Rate Resolution

Please find attached the proposed rate resolution for the FY10 Water Quality Protection Charge. The resolution is consistent with the FY10 Recommended Budget transmitted on March 16, 2009.

If you have any questions, please feel free to contact John Greiner in the Office of Management and Budget at 240-777-2765 or Gladys Balderrama in the Department of Environmental Protection at 240-777-7732.

JFB:jmg

cc: Robert G. Hoyt, Director, Department of Environmental Protection

10

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

Subject: Water Quality Protection Charge for FY10

Background

1. Under County Code Section 19-35(c), each fiscal year the County Council must, by resolution, set the rate or rates for the Water Quality Protection Charge.

2. The base rate for the Water Quality Protection Charge is the annually designated dollar amount set by the County Council to be assessed for each equivalent residential unit of property that is subject to the Charge.

3. Under Executive Regulation 6-02, an equivalent residential unit (ERU) is defined for these purposes as the statistical median of the total horizontal impervious area of developed single-family detached residences in the County that serves as the base unit of assessment for the Water Quality Protection Charge. The designated ERU for Montgomery County equals 2,406 square feet of impervious surface.

4. Under County Code Section 19-35, properties in the City of Takoma Park and the City of Rockville are not subject to the Water Quality Protection Charge.

Action

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

The base rate for the Water Quality Protection Charge for Fiscal Year 2010 is $45.00 per equivalent residential unit (ERU).

This resolution takes effect on July 1, 2009.

This is a correct copy of the Council action.

_____
Linda M. Lauer, Clerk of the Council

DEPARTMENT OF ENVIRONMENTAL PROTECTION
Montgomery County, Maryland

The Montgomery County Water Quality Protection Charge Frequently Asked Questions

1) What is the Water Quality Protection Charge (WQPC)?

The WQPC appears as a line item on your property tax bills and pays for the structural maintenance of stormwater management facilities and water quality improvements in the County. The Water Quality Protection Charge is the result of years of study, recommendations and hard work by citizens serving on work groups and task forces, County Council Staff and the Department of Environmental Protection.

2) Who will pay?

The charge will be paid by all residential property owners and any associated nonresidential property owners.

3) What are associated nonresidential properties?

An associated nonresidential property is any nonresidential property from which stormwater drains into a stormwater management facility that primarily serves one or more residential properties. Some examples of associated nonresidential properties are:

- a restaurant that has a parking lot draining into a neighborhood stormwater pond
- a church parking lot draining into a neighborhood pond
- a private school that has sidewalks, parking lots and outbuildings draining to a residential pond or other type of stormwater management structure

4) Who do I call to find out more information on the charge and why my property was charged?

To find out more information on the charge please call the Department of Environmental Protection Water Quality Protection Charge hotline at 240-777-7763.

5) How has the charge been determined?

The charge is based on the average amount of square feet of roof, sidewalk and driveway for a single-family dwelling. Wet weather cannot penetrate these "impervious" surfaces, thereby washing pollutants such as oil and grease from driveways, as well as fertilizers, pesticides, and pet waste from yards and turf areas either into nearby streams or into a stormwater management structure. Accumulating stormwater also can erode stream banks if not properly managed by well-maintained ponds, sand filters, infiltration trenches or other stormwater management

structures. The average impervious surface has been calculated to be 2,406 square feet and is the Equivalent Residential Unit (ERU) or the base unit for calculating the Water Quality Protection Charge.

- Associated nonresidential structures are billed as multiples of the ERU. If a restaurant has 24,060 square feet of imperviousness, then the property owner will pay ten times the ERU.
- Condominium and apartment charges are calculated based on the amount of imperviousness and are billed as multiples of the ERU.
- Town homes are billed at one-third of an ERU.
- Single family homes are billed as one ERU.
- Commercial and other land use classes that have on-site facilities that do not drain to residential facilities will not pay the charge but will be required to maintain their own structure

6) How much is the WQPC?

As of July 2008, the rate is $35.50 per ERU. This means that single family home owners pay a flat rate of $35.50 and town home owners pay a flat rate of $11.72.

The County Council sets the rate of the Water Quality Protection Charge on an annual basis. A public hearing is held annually before the Council sets the rate.

7) Why do I have to pay a WQPC?

The County is required by the Montgomery County Code to provide stormwater management facilities and services that control the quantity and quality of runoff entering the streams and rivers in the County, including the structural maintenance of those facilities. Developers generally pay for construction. Funding is not provided by federal or state governments for the maintenance of these facilities.

8) Why do I have to pay a WQPC for my restaurant but the restaurant two blocks away is not charged?

Your restaurant drains to a Stormwater management facility that primarily drains residential properties. The other restaurant drains to a Stormwater management facility that drains only non - residential properties.

9) Do tax exempt properties (if they are considered an associated nonresidential property) have to pay?

Yes, because it is a charge, not a property tax. Property taxes are based on the assessed value of the property. The WQPC is assessed based on how much the property contributes to the amount of Stormwater runoff from the property.

10) If tax exempt properties have to pay, why don't government owned facilities (that are considered associated nonresidential properties)-Federal, state, or local?

All government properties are not charged. An exemption is provided to State and Federal properties under Maryland state law.

11) I own a farm. Why is my agricultural property (if it is an associated nonresidential property) being assessed this charge?

Farmhouses are being treated as residential properties. You are being charged based on the impervious area of your farmhouse, driveway, etc., not your whole property area. Cropland and pastureland are not charged.

12) Is the Water Quality Protection Charge deductible from my Federal Income Tax?

No. The Water Quality Protection Charge is not deductible from Federal or State Income Taxes.

13) Do I have to pay for any undeveloped properties that I own?

No, because there is no impervious area associated with your property.

14) Do I have to pay for any unoccupied developed properties that I own?

Yes, because that property contains impervious area.

15) What happens if I don't pay or I pay late?

Interest on the overdue payment accrues according to the same schedule and at the same rate charged for delinquent real property taxes until the owner has remitted the outstanding payment and interest. An unpaid Charge is subject to all penalties and remedies that apply to unpaid real property taxes. If the unpaid Charge becomes a lien against the property, the lien has the same priority as a lien imposed for nonpayment of real property taxes.

16) Can I appeal the charge?

If a property owner believes that a Charge has been assigned or calculated incorrectly, the property owner may petition the Director for an adjustment by submitting a written request in a form acceptable to the Department of Finance within 21 days after the property owner receives a bill for the Charge. The request must state the grounds for the property owner's petition.

17) Will revenues be spent throughout the County?

The Stormwater maintenance program is County-wide. However, the Cities of Rockville, Gaithersburg, and Takoma Park will not be included in this program because they are already implementing a Stormwater maintenance program in their own respective cities. Takoma Park will continue to assess its own stormwater fee to its residents.

18) How was the amount of impervious surfaces determined?

Impervious surfaces were determined by analyzing a statistically significant number of residential parcels in the geographic information system (GIS) available from Montgomery County and the Maryland-National Capital Park and Planning Commission (M-NCPPC).

19) Why do I have to pay when I do not have any drainage or stormwater problems?

Everyone in the County benefits from the stormwater maintenance program. If stormwater runs off your property, the County must have a program and funding to manage the increase in runoff and pollutants.

20) Why is the stormwater management program not funded by tax revenues?

It has been funded in the past by tax revenues. However, the WQPC is fairer than a stormwater tax based on the assessed value for the real property, because: The charge is based on each property's actual contribution to stormwater runoff. Each property contributes a fair and equitable share towards the overall cost of the stormwater maintenance program.

21) Why do we have the stormwater management?

Rain and stormwater runoff is an issue few people spend much time worrying about unless they have forgotten an umbrella during a downpour or come home to a flooded basement. However, taking appropriate steps to control stormwater runoff is becoming an extremely important issue for Montgomery County. Impervious surfaces such as roofs, driveways, parking lots, and streets prevent precipitation from entering the ground and the groundwater where it completes the hydrologic cycle. Instead stormwater is collected and either sent to a stormwater facility or discharged directly to the streams without control. Older, urbanized areas of the county without stormwater controls bear witness to the devastation visited upon nearby stream valleys, which were blasted by incredible volumes of water, sediment, and pollution, changing from gurgling, bucolic streams to 50 foot wide lifeless channels with toppled trees, exposed sewer lines, and deeply cut and eroded banks. Funding from the Water Quality Protection Charge helps to correct and improve our damaged streams and water ways by maintaining the stormwater management facilities, installing new facilities, monitoring water quality, and restoring damage streams.

ADDENDUM
T&E Committee #1
April 22, 2009

Worksession

MEMORANDUM

April 21, 2009

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Keith Levchenko, Senior Legislative Analyst

SUBJECT: Worksession: FY10 Department of Environmental Protection (DEP)-Division of Solid Waste Services Operating Budget and FY10 Solid Waste Charges

Note: This memorandum also includes a discussion of the Executive's Recommended CIP Amendment to the Transfer Station Improvements Project (relating to the planned relocation of the yard trim processing facility at the Gude landfill; T&E Agenda Item #2)

Those expected for this worksession:

Robert Hoyt – Director, DEP
Dan Locke – Chief, Division of Solid Waste Services, DSWS
Anthony Skinner – Business Manager, DSWS
Eileen Kao – Chief, Recycling Section, DSWS
Bill Davidson – Chief, Northern Operations and Strategic Planning Section, DSWS
Peter Karasik – Chief, Central Operations Section, DSWS
Robin Ennis – Chief, Collections Section, DSWS
Brady Goldsmith, Office of Management and Budget

The Executive's recommendation for the Division of Solid Waste Services is attached on ©1–18.

OVERVIEW

On March 24, 2009 the Council adopted an update to the County's Comprehensive Solid Waste Management 10 Year Plan. On March 9th, as part of this review, the T&E Committee discussed a number of policy issues that are typically discussed during the budget process.

Given this recent review, the focus of this memorandum is only on policy issues not already covered, major budget changes, the FY10 Recommended Solid Waste charges, and the County Executive's Recommended CIP amendment to the Transfer Station Improvements project.

Expenditure Summary

For FY10, the Executive recommends total expenditures of $102,461,690 for the Division of Solid Waste Services, a $1.6 million increase (or 1.6%) from the FY09 approved budget. *Note: The Leaf Vacuuming Fund is recommended to move to the Department of Transportation "in order to consolidate operational and fiscal responsibilities in one department." For purposes of this review, the leaf vacuuming fund expenditures and revenues have been removed from the FY09 as well. Leaf vacuuming charges are still included with the other Recommended Solid Waste charges which are discussed in this memorandum.*

Table #1
DPW&T-Solid Waste Services (All Funds)

	Approved FY07	Rec FY08	Change from FY09 $$$	%
Personnel Costs	10,061,660	10,228,170	166,510	1.7%
Operating Expenses	89,095,050	91,064,580	1,969,530	2.2%
Capital Outlay	1,691,660	1,168,940	(522,720)	-
Total	**100,848,370**	**102,461,690**	**1,613,320**	**1.6%**
Full-Time Positions	87	87	-	0.0%
Part-Time Positions	-	-	-	n/a
Workyears	106.5	104.7	(1.8)	-1.7%

Positions and Lapse

The Executive recommends no new positions or position abolishments for FY10. There are some technical adjustments affecting workyears.

For FY10, lapse is recommended at $86,725 and 2.0 workyears (the same as for FY08 and FY09). According to DSWS staff, for FY09, estimated lapse is 2.5 workyears.

From a dollar standpoint, the lapse rate (about 1.0 percent) is fairly low. However, since the personnel complement budget is enterprise funded, any potential surplus dollars at the end of year that may occur as a result of lapse (or any other budget savings) revert to fund balance and are taken into account in the rate setting and budget process the next year.

Revenue Summary

DSWS activities are primarily supported by various solid waste charges that support the dedicated enterprise funds (see ©17 for a description of the service charges). On March 31, the Council introduced a resolution setting solid waste charges for FY10. A table showing the FY09 approved charges and the FY10 recommended charges is presented on Page 9 of this memorandum along with more details regarding each charge.

Some highlights of the Executive's recommended charges include:

- No change in any tipping fees. *Both the tip fee for refuse and for yard trim increased by $4.00 two years ago.*
- Non-residential charges (which are based on waste generation categories and gross floor area) are recommended to increase 9.8%. The increase is due to the increase in the non-residential share of the overall waste generation which increased from 52.6% for FY09 to 54.5% for FY10.
- The leaf vacuuming charge is up about 1 percent for single-family and .5 percent for multi-family residences.
- Total multi-family charges (with or without the leaf vacuuming charge) remain virtually unchanged (+0.1 percent).
- Total single-family residential charges are increasing 2.7% to 3.5 percent depending on the categories of service provided.

Council Staff concurs with the FY10 Solid Waste charges as recommended by the Executive.

NOTE: *In tandem with the resolution, the Executive transmits an Executive Regulation each year setting residential waste estimates which were used to develop the FY09 charges. The regulation is advertised in the April register and acted upon by the Council in May.*

MAJOR CHANGES BY FUND

The Solid Waste Services budget is divided into two enterprise funds: Collection and Disposal. As mentioned earlier, a third fund, Vacuum Leaf Collection was moved to DOT. These funds are non-tax-supported funds for which revenues and expenditures are directly connected. Additions to or subtractions from the DSWS budget may change solid waste charges but will not affect General Fund resources.

Summary tables for each of the funds follow, along with some major highlights.

Table #2
DPW&T-Solid Waste Services (Collection)

	Approved FY09	Rec FY10	Change from FY09 $$$	%
Personnel Costs	1,170,980	1,132,060	(38,920)	-3.3%
Operating Expenses	5,583,550	5,607,580	24,030	0.4%
Capital Outlay	-	-	-	-
Total	**6,754,530**	**6,739,640**	**(14,890)**	**-0.2%**
Full-Time Positions	10	10	-	0.0%
Part-Time Positions			-	n/a
Workyears	12.1	11.8	(0.3)	-2.5%

Solid Waste Collection Fund expenditures are recommended to decrease slightly by 2.5%. All of the changes in FY10 are in technical adjustments as shown on ©11. No changes in service levels are assumed. The largest cost change item is increased costs related to household counts and contractual fuel cost adjustments for haulers ($52,920).

Council Staff recommends approval of the Executive's Recommended Budget for the Solid Waste Collection Fund.

Table #3
DPW&T-Solid Waste Services (Disposal)

	Approved FY09	Rec FY10	Change from FY09 $$$	%
Personnel Costs	8,890,680	9,096,110	205,430	2.3%
Operating Expenses	83,511,500	85,457,000	1,945,500	2.3%
Capital Outlay	1,691,660	1,168,940	(522,720)	-
Total	**94,093,840**	**95,722,050**	**1,628,210**	**1.7%**
Full-Time Positions	77	77	-	0.0%
Part-Time Positions			-	n/a
Workyears	94.4	92.9	(1.5)	-1.6%

Solid Waste Disposal Fund expenditures are recommended to increase by $1.6 million (or 1.6%). There are a number of cost changes (both increases and decreases) recommended in the Solid Waste Disposal Fund. These items are fully listed on ©11-12 in the "FY10 Recommended Changes" section from the Executive's Recommended Operating Budget. Some of the major items are discussed below.

There are a number of technical adjustments common to other County Government budgets (such as compensation changes, benefits, and annualizations). In addition, the Disposal Fund has a number of other items that often appear including: contractual cost increases in various areas, and equipment replacement costs. One-time items (mainly equipment from the prior year, studies, and some pond work in Dickerson) are also removed. There is one major service impact change: the planned closure of the Damascus Beauty Spot which is discussed later.

The biggest changes in the Disposal Fund result from cost changes in the Resource Recovery Facility (RRF) program (which accounts for over 36% of the total DSWS budget). The following chart breaks out the major cost changes in this program. Overall, program expenditures are up $4.5 million from FY09.

Table 4:
Resource Recovery Facility (RRF) and Related Waste Transfer Program Costs

	FY09	FY10	FY10-FY09
Net Debt Service	23,283,469	26,348,644	3,065,175
Air Pollution System CIP OBI	-	1,568,000	1,568,000
Coventa Operating Charge	24,244,676	24,210,381	(34,295)
CSX Rail Engine Service Fee	3,151,240	3,047,190	(104,050)
Non-Processible Waste	771,321	357,010	(414,312)
Waste Processed >558450	1,328,159	481,887	(846,272)
Electric Sales Revenue	(24,985,377)	(23,187,368)	1,798,009
Recycled Ferrous Revenue	(474,333)	(38,928)	435,406
Container Replacements	900,000	-	(900,000)
Other NMWDA Contract Costs	3,649,044	3,675,019	25,975
Charges from Risk Management	730,123	690,000	(40,123)
Misc. Other Than NMWDA Contract	304,986	290,863	(14,123)
	32,903,307	37,442,697	4,539,390

The biggest changes in RRF costs are

- debt service increases: FY09 represented a one-year dip based on a refinancing that occurred in 2003 and so a bump in FY10 is now occurring,

- the annual operating costs of the new air pollution system: A CIP project approved as part of the FY09-14 CIP will reduce NOx emissions by 50 percent, reducing 474 tons of NOx emissions per year,

- Several expenditure categories are down as a result of less waste being processed.
    - A decrease in electric sales revenue is expected (which means a lower offset to expenditures) as a result of decreases in waste processed.
    - Recycled ferrous revenue is also down,

- Also, container replacements in FY09 are removed for FY10.

MAJOR ISSUES

Reduced Tonnages at the RRF and the Compost Facility

Both the RRF and the Dickerson Compost Facility are experiencing reduced tonnage levels from FY09 estimates.

The RRF is permitted by the State to handle a maximum of 657,000 tons per year. The County's policy is to stay within an 85% to 92% utilization rate (558,450 to 604,000 tons). Tip Fee pricing provides a means to encourage or discourage haulers of multi-family and non-residential trash from utilizing the County's transfer station versus other facilities outside of Montgomery County.

The RRF tonnages for FY09 are expected to be down about 54,000 tons (from a budget assumption of 604,000 to 550,000 tons). The primary factor is most likely economic conditions. While tonnages are expected to go back up in FY11, DSWS has revised downward its FY10 projection from 604,000 to 575,000 tons. As mentioned before, this drop affects a variety of expenditure and revenue categories.

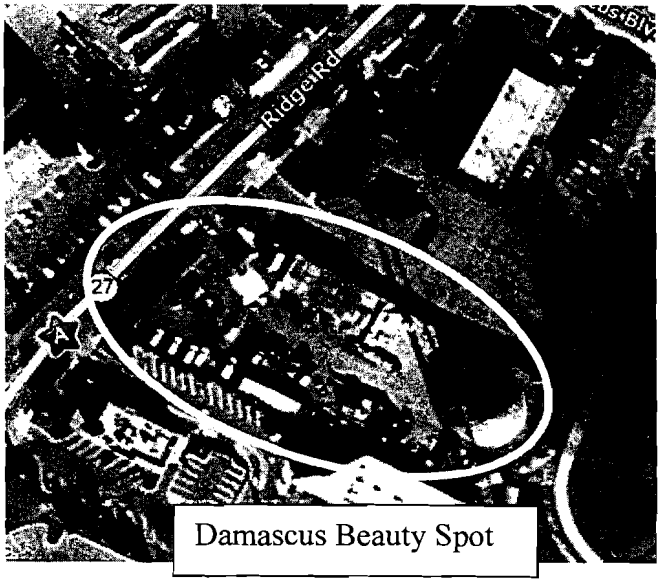
Since the current downward trend appears to be economically driven (and not the result of haulers taking more trash out of the county) a reduction in the Tip Fee does not appear warranted and the Executive is not recommending such a change. **Council Staff supports the Executive recommendation to keep the tip fee for general refuse unchanged.**

The Dickerson Compost Facility has also seen tonnages decline over the past couple of years and the export of yard waste in excess of the legal limit (77,000 tons per year) is not expected in FY09 or FY10. As discussed during discussion of the Solid Waste Management Plan, DSWS as pursued a number of initiatives such as grasscycling and home composting to reduce yard trim volumes.

One side benefit to the reduced tonnages in FY09 is some additional surplus appropriation expected in the Solid Waste Disposal Fund. DEP has set-aside these resources to begin planning work in F09 related to remediation of environmental issues at the Gude landfill. This issue is discussed in more detail later in this memorandum.

Planned Closure of the Damascus Beauty Spot

DSWS currently operates two "beauty spots" (satellite drop off facilities) that are located at DOT Highway Services facilities in Damascus (on Route 27 south of Route 108) and near Poolesville (on Jerusalem Road). The beauty spots were opened in the mid-1980s in order to discourage illegal roadside dumping. They provide a no-cost and convenient means for the disposal of primarily bulky items by County residents in the upcounty. Recyclable materials used to be accepted at the facilities but with the expansion of curbside recycling countywide, acceptance of recyclables was ended at both facilities a couple of years ago.



Damascus Beauty Spot

The Executive is recommending closing the Damascus Beauty Spot in October 2009. The overriding reason is that the facility is not permitted as a solid waste transfer station and the tight site (see picture) precludes making the necessary improvements to create a viable permanent facility. DSWS believes the Poolesville Beauty Spot (which also is not permitted as a transfer facility) may be a viable permanent properly permitted site and improvements to that site are being considered.

Prior to the closure of the Damascus Beauty Spot in October, DSWS plans to do substantial education and outreach in the area to ensure people are aware of other options for the disposal of various materials. DSWS will also consider whether any new programs that could serve the area are warranted and feasible. DEP's enforcement staff will step up their efforts as well to ensure that illegal dumping issues that may arise from the closure are addressed.

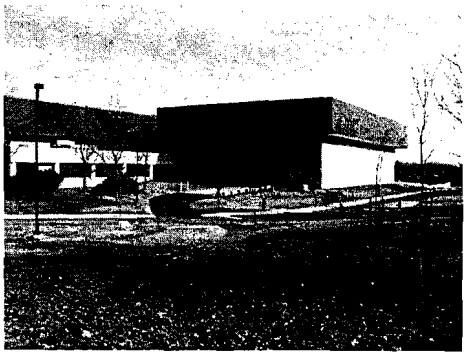
DSWS has been considering what to do with the beauty spots for some time and (as noted above) has made some service changes in recent years to improve operations. However, the fact remains that both the Damascus and Poolesville facilities are not operating under appropriate permits. DEP is now taking a fresh look at the permitting issue and the need to operate its facilities in compliance with all permits as it expects private sector operations to do. Council Staff agrees.

CE Recommended CIP Amendment to the Transfer Station Improvements Project

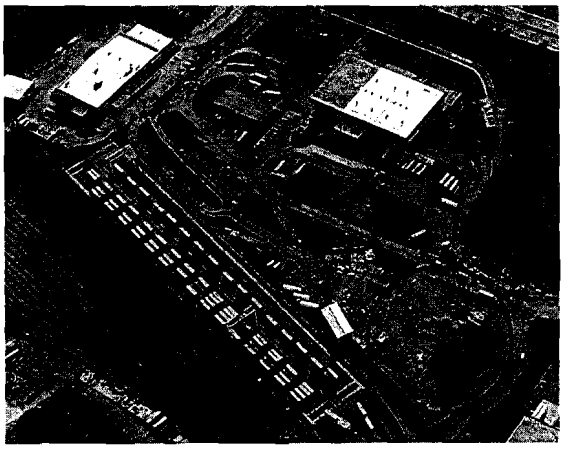
On March 19, 2009 the Executive transmitted a number of CIP amendments, including an amendment to the Transfer Station Improvements project (project description form on ©19).

Background

The project, as approved in the FY09-14 CIP (project description form attached on ©20) includes two distinct scopes of work.



The first piece, which was completed last year, included the expansion of the transfer building (see photo to the right), upgrades and additions to the truck weighing facilities, the addition of one more bay at the Public Unloading Facility and associated connecting roads and paving. This work was done to help improve the safety of the unloading operations by separating large collection vehicles from smaller vehicles and to increase the efficiency of operations and reduce the frequent queuing of vehicles onto Shady Grove Road.



The second piece of the project involves re-locating the Yard Trim/Wood Waste Processing Facility from the Transfer Station (see photo) to the Closed Gude Landfill. The current space is not adequate to handle the volume and types of vehicles. This relocation will improve safety and efficiency at the Transfer Station by reducing overall vehicle traffic and will allow DSWS to provide a safer, efficient, and more flexible yard trim/wood waste facility.

Residential drop-off would still occur at the

Transfer Station (to maintain a one-stop capability for residents with multiple items such as trash, recyclables, and yard trim), but commercial drop-off of yard trim (most of the yard trim volume) would move. The Transfer Station would also still send some yard trim to the compost facility by rail as it does now.

Gude Landfill Remediation Issues

On February 9 the T&E Committee was briefed on DEP's latest efforts to address Maryland Department of the Environment (MDE) requirements as well as community concerns regarding methane migration and groundwater quality. DEP noted at the briefing that these issues need to be addressed first before the yard trim relocation project can move into construction.

The March 19 CIP amendment assumed a delay in the construction of the yard trim facility from FY10 to FY11 and assumed to spend about $1.3 million in FY09 on further study, mitigation and design work to address MDE's and the community's concerns regarding the yard trim relocation.

Since the March 19 transmittal, based on continued coordination with MDE, DEP has identified the next steps of work to be done as a "nature and extent" study followed by a remediation alternatives assessment. The first study is likely to take the first half of FY10. While some of this work will relate to the potential relocation of the yard trim facility, much of it will be far broader in context. Given these next steps, DEP staff and Council staff have discussed various options for moving forward with this work.

In order to move forward immediately on the necessary studies to identify remediation needs and alternatives, and because of reduced waste volumes being experienced by the Division of Solid Waste Services, DEP has identified surplus appropriation in FY09 in the Solid Waste Disposal Fund that can be used to begin this work. DEP can contract through the Northeast Maryland Waste Disposal Authority to implement this work in a timely and cost-effective manner.

The FY09 funding would preclude the need for a July 1 (FY10) appropriation for the Transfer Station Improvements project. Also, since the yard trim relocation is now on hold pending the outcome of the studies mentioned above, the timing of the yard trim project assumed in the March 19 amendment is very much in doubt.

In light of the above information, Council Staff recommends the following:

- **Assume DEP will utilize surplus Solid Waste Disposal Fund appropriation in FY09 to begin the remediation studies mentioned above.** ***DEP will provide more details regarding the FY09 surplus appropriation and contract scopes as this work progresses.***

- **Do not approve an amendment to the Transfer Station Improvements project.**

- **Assume no appropriation for the Transfer Station Improvements project for FY10 as part of the CIP Appropriation resolution the Council will approve in mid-May.**

- **During FY10, when DEP reaches a point where FY10 dollars are needed (either operating or CIP dollars) a supplemental appropriation can be sought.**

SOLID WASTE CHARGES

Solid waste charges are established through Council resolution. A public hearing was held on April 21. The Council will take action on the solid waste charges in mid-May. The following chart presents the FY09 approved charges and the FY10 recommended charges.

Charge	Approved FY09	CE Rec. FY10	Percent Change
SINGLE FAMILY			
Base Systems Benefit Charge	$30.25	$24.45	-19.2%
Incremental Systems Benefit Charge	$120.08	$130.36	8.6%
Disposal Fee	$52.39	$55.04	5.1%
Leaf Vacuuming Charge	$93.04	$93.96	1.0%
Refuse Collection Charge	$73.00	$75.00	2.7%
Total Charges, Households Receiving:			
Recycling Collection Only	$202.72	$209.85	3.5%
Recycling and Leaf Collection	$295.76	$303.81	2.7%
Recycling and Refuse Collection	$275.72	$284.85	3.3%
Recycling, Leaf and Refuse Collection	$368.76	$378.81	2.7%
MULTI-FAMILY			
Base Systems Benefit Charge	$2.17	$3.92	80.6%
Incremental Systems Benefit Charge	$14.24	$12.50	-12.2%
Leaf Vacuuming Charge	$4.04	$4.06	0.5%
Total Charges			
Units inside Leaf Vacuuming District	$20.45	$20.48	0.1%
Units outside Leaf Vacuuming District	$16.41	$16.42	0.1%
NONRESIDENTIAL			
(by waste generation category per 2,000 sq. feet of gross floor area)			
Low	$91.21	$100.16	9.8%
Medium Low	$273.63	$300.48	9.8%
Medium	$456.06	$500.81	9.8%
Medium High	$638.49	$701.12	9.8%
High	$820.91	$901.45	9.8%
TIPPING FEES			
Refuse (weighing >500 lbs per load)	$56.00	$56.00	0.0%
Refuse (weighing <500 lbs per load)	$0.00	$0.00	n/a
Refuse in Open Top Containers	$60.00	$60.00	0.0%
Commercial Yard Trim	$40.00	$40.00	0.0%
Other Recyclables	$0.00	$0.00	n/a

1. System Benefit Charges

Base System Benefit Charges cover the cost of general solid waste system infrastructure and administration and are allocated among the single family residential, multi-family residential, and non-residential sectors in proportion to cover the cost of recycling services provided to each sector.

The Incremental System Benefit Charges are adjusted partly as a result of increased costs in recycling and composting but also because DSWS works to smooth overall impacts on the different rate categories (single-family, multi-family, and non-residential) across the six-year fiscal plan period. This stabilization effort is accomplished by the different categories either borrowing or paying back the Fund in different years over the six-year period. The net change over the six-year period is zero, but changes can be substantial in a given year and can result in the charge going up or down in the different sectors.

For purposes of considering the total impact on ratepayers, one needs to look at the "Total Charges" lines in the chart. DSWS' goal is to try to smooth increases and decreases in these charges over time.

2. Commercial Charges

The charges for the non – residential sector are comprised of the Base System Benefit Charges (BSBC) and the Incremental System Benefit Charges (ISBC). These charges are computed based on Gross Floor Area Unit (GFAU's) data from the State Department of Assessment and Taxation (SDAT) records. These charges are recommended to increase 9.8 percent for FY10, primarily because of increases in the overall share of waste generation attributed to this sector and thus increased cost allocations to this sector.

3. Refuse Disposal Tip Fees

The tip fee is the per ton fee charged businesses, institutions, and residents that dispose refuse at the County's Transfer Station. No change in the tip fee is recommended for FY10.

4. Recycling Tip Fees

The Executive continues to recommend no fee for tipping recyclable newspaper and mixed paper at the County's Recycling Center.

The Executive recommends keeping the Tip Fee for yard trim unchanged from FY10.

5. Refuse Collection Charge

The Executive proposes increasing the refuse collection fee from $73.00 to $75.00 (or 2.7%) per household per year. This fee is paid by homeowners who receive once weekly refuse collection service by County contractors.

6. Leaf Vacuuming Charge

The charge is also recommended to go up slightly for FY10 (about 1.0% for single-family homes and 0.5% for multi-family homes. Only residents in the leaf vacuuming district pay this fee.

Summary of Council Staff Recommendations

- **Approve the Division of Solid Waste Services FY10 Budget as recommended by the County Executive.**
- **Approve the FY10 Solid Waste Charges, as recommended by the County Executive.**
- **Do not approve the Transfer Station Improvements amendment transmitted by the County Executive on March 19.**
- **Approve no FY10 appropriation for the Transfer Station Improvements project at this time.**

Attachments

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Solid Waste Services

MISSION STATEMENT

Provide world-class solid waste management for the people living and working in Montgomery County, in an environmentally progressive and economically sound manner, striving to recycle 50% of our waste. Vision: We aspire to provide the best solid waste services in the nation, meeting the needs of our diverse community.

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Division of Solid Waste Services is $102,461,690, an increase of $1,613,320 or 1.6 percent from the FY09 Approved Budget of $100,848,370. Personnel Costs comprise 10.0 percent of the budget for 87 full-time positions for 104.7 workyears. Operating Expenses, Capital Outlay, and Debt Service account for the remaining 90.0 percent of the FY10 budget.

In FY10, the Vacuum Leaf Collection program, fully budgeted in the Vacuum Leaf Collection fund, will be moved to the Department of Transportation in order to consolidate operational and fiscal responsibilities in one department. For ease of comparison, the FY08 through FY10 Vacuum Leaf Collection fund budget figures are included in the Department of Transportation budget section.

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

LINKAGE TO COUNTY RESULT AREAS

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

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

DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures that relate to multiple programs including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Headline Measures					
Percent of total municipal solid waste recycled	43.2	44.3	45.0	45.7	46.2
Percent of multi-family municipal solid waste recycled	13.5	13.7	13.6	13.7	13.7
Percent of single-family municipal solid waste recycled	56.2	55.8	54.1	55.0	55.2
Percent of non-residential municipal solid waste recycled	37.3	40.0	43.1	43.4	44.4
Average number of recycling collections missed per week, not picked up within 24 hours	28	22	20	26	34
Landfill space diverted from use as a result of recycling, grasscycling, and conversion to refuse to energy (cubic yards/year)[1]	2,015,054	2,058,409	2,119,439	2,153,583	2,240,350
Average number of refuse collections missed per week, not picked up within 24 hours	10	7	6.7	8.6	11
Singe-family Solid Waste Charge: Refuse Collection Fee, charged for once per week curbside collection including on-call bulk pickups (dollars per household)	66	66	73	75	84
Single-Family Solid Waste Charge: System Benefit Charge, covers the portion of the County costs of providing basic solid waste services for single-family waste not covered by disposal and tipping fees (dollars per household)	194.38	198.42	202.72	209.85	213.49

[1] Cubic Yards/Year

ACCOMPLISHMENTS AND INITIATIVES

- ***Added two new truck scales, expanded the tipping floor, and added a Public Unloading Facility bay at the Transfer Station, reducing wait times for dumping by 30 minutes during peak periods and enabling 30 to 40 percent more vehicles to unload waste at any given time.***

- ***The computer recycling program which began in FY00 was expanded to a full electronics recycling program in FY08. The facility now accepts televisions and consumer electronics for recycling, as well as computers.***

- ***In order to address public interest in recycling televisions prior to the analog to digital television technology switchover in 2009, Solid Waste Services scheduled a number of regional electronics recycling events at Park & Ride Lots and high schools to provide better service in areas distant from the Transfer Station, such as Burtonsville, Damascus and Silver Spring.***

- ***In FY09 there is a contract with a non-profit organization to pick up and distribute reusable furniture to needy families.***

- ***Productivity Improvements***

  - ***Reduced construction and demolition costs by diverting burnable waste to the Resource Recovery Facility and natural wood waste that can be recycled on-site at the Transfer Station. Shipping costs to landfill reduced by $30,000-$40,000.***

  - ***Began processing large-diameter bulky wood waste at the Transfer Station in October 2007, instead of shipping it to outside contractors to be processed; this material is now recycled on-site. This resulted in a substantial savings in transportation and recycling costs. Approximately 10,000 tons of bulky wood waste is processed into mulch each year.***

PROGRAM CONTACTS

Contact Scott McClure of the Division of Solid Waste Services at 240.777.6436 or Brady Goldsmith of the Office of Management and Budget at 240.777.2793 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Automation

This program provides for the overall operation and maintenance of existing computer equipment, as well as the purchase of any new automation equipment and technology to support effective and efficient achievement of the Division's mission.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**351,270**	**1.2**
Increase Cost: Information Technology Maintenance	121,630	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	115,290	0.8
FY10 CE Recommended	**588,190**	**2.0**

Revenue Management & System Evaluation

Manage enterprise fund business processes and supports solid waste policy issues through system evaluation and analyses. The primary functions include: rate setting and fiscal health management; financial analysis of enterprise funds; revenue forecasting and enhancement; ratepayer database management; hauler billing processing; system-wide tonnage tracking and reporting; maintain statistical waste generation data; and performance measurement.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Single-Family Solid Waste Charge: System Benefit Charge, covers the portion of the County costs of providing basic solid waste services for single-family waste not covered by disposal and tipping fees (dollars per household)	194.38	198.42	202.72	209.85	213.49

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**604,460**	**5.4**

	Expenditures	WYs
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	15,100	-0.1
FY10 CE Recommended	**619,560**	**5.3**

Commercial Recycling and Waste Reduction

This program provides for mandatory commercial sector recycling and waste reduction and the review of recycling and waste reduction plans and annual reports from all large and medium-sized businesses, as well as targeted small businesses. Through this program, technical support, assistance, education, outreach, and training is provided to the commercial sector in the areas of recycling, buying recycled products, and waste reduction. This program also provides for enforcement of the County's recycling regulations and other requirements of the County Code as they apply to non-residential waste generators.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,688,940**	**10.3**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	53,370	0.1
FY10 CE Recommended	**1,742,310**	**10.4**

Dickerson Compost Facility

This program includes all processing, transporting, composting, and marketing of yard trim received by the County, including leaves received via the Leaf Vacuuming Program. Processing includes grinding brush to produce mulch at the transfer station, as well as composting all leaves and grass at the County's composting facility in Dickerson. Transportation includes all shipping into and out of the compost facility. Leaves and grass, after processing at Dickerson, are sold as high-quality compost soil amendment in bulk and bags.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**4,060,120**	**1.0**
Decrease Cost: Reduce Compost Facility Export	-300,000	0.0
Decrease Cost: Capital Items	-497,220	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-265,250	-0.1
FY10 CE Recommended	**2,997,650**	**0.9**

Dickerson Master Plan

This program provides for the implementation of the Dickerson Solid Waste Facilities Master Plan. This plan identifies the environmental, community, and operational effects of solid waste facilities in the Dickerson area (the RRF, the Site 2 Landfill, and the Compost Facility) and outlines policies and actions to mitigate those effects.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**236,270**	**1.8**
Increase Cost: Implementation Schedule	125,440	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-78,330	-0.7
FY10 CE Recommended	**283,380**	**1.1**

Gude Landfill

The purpose of this program is to monitor air and water quality around the landfill, maintain stormwater management and erosion control structures, maintain site roads, and manage the landfill gas through collection, flaring, and gas-to-energy systems. In addition, it encompasses all operational functions necessary to maintain the Gude Landfill, which closed in 1982, in an environmentally sound and cost-effective manner.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**374,320**	**0.6**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	4,400	0.0
FY10 CE Recommended	**378,720**	**0.6**

Mixed Paper Recycling

This program provides for the management, processing, and marketing of the County's residential mixed paper. Residential mixed paper includes newspaper, corrugated containers, kraft paper bags, magazines, telephone directories, and unwanted mail.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,712,550**	**0.5**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	42,400	0.0
FY10 CE Recommended	**1,754,950**	**0.5**

Oaks Landfill

This program maintains the closed Oaks Landfill in an environmentally sound and cost-effective manner in accordance with applicable State and Federal regulations. Mandated duties under this program include maintaining monitoring wells for landfill gas and water quality around the landfill; managing landfill gas through collection, flaring, and gas-to-energy systems; maintaining leachate storage and pre-treatment facilities; and performing other required site maintenance. This program also provides for the acceptance and treatment of waste generated by the cleanout of stormwater oil/grit separators.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,522,850**	**1.1**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	33,550	0.3
FY10 CE Recommended	**1,556,400**	**1.4**

Out-of-County Refuse Disposal

This program provides for the rail shipment of ash residue that is designated for disposal from the Resource Recovery Facility to a contracted landfill facility in Brunswick County, Virginia. A dedicated disposal cell area was developed at this landfill exclusively for waste from Montgomery County. This program also provides for the shipment of nonprocessible waste, such as construction material and, if necessary, bypass waste, from the Transfer Station to either recycling facilities or the contracted landfill in Brunswick County.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**13,420,250**	**0.6**
Decrease Cost: Tonnage Projections for Out-of-County Haul Program	-2,756,480	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-64,900	0.0
FY10 CE Recommended	**10,598,870**	**0.6**

Recycling & Waste Reduction - Multi-Family Dwellings

This program provides for mandatory recycling and waste reduction for multi-family properties. Program efforts include technical support, assistance, education, outreach and training, in addition to the review and monitoring of waste reduction and recycling plans and annual reports. This program also provides for enforcement of the County's recycling regulation and other requirements of the County Code, as they apply to multi-family waste generators.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**717,890**	**4.1**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	34,590	0.0
FY10 CE Recommended	**752,480**	**4.1**

Recycling - Residential

This program provides for securing, administering, monitoring, and enforcing countywide contracts for residential curbside recycling collection with private collectors and responding to service needs from residents. Staff maintains a customer service program and a database of all customers and the services they receive. This program also provides for enforcement of the County's recycling regulation, as they apply to single-family waste generators and enforcement of relevant parts of Chapter 48 of the County Code.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**18,751,100**	**20.6**
Increase Cost: Residential Recycling Collection Program - Increase in Household Counts and Fuel Cost Adjustment	160,890	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings	-15,220	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09	-25,500	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-47,570	-0.2
FY10 CE Recommended	**18,823,700**	**20.4**

Recycling Center

This program provides for the separation, processing, and marketing of recyclable materials (glass, metal, and plastic). The Recycling Center also serves as a transfer point for shipping residential mixed paper for processing. The Recycling Center receives recyclable material collected under the County curbside collection program, as well as from municipalities and multi-family properties which have established similar types of programs. The materials are then sorted and shipped to markets for recycling.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**3,812,860**	**3.7**
Increase Cost: Contractual Expenses and Replacement of Scrubber/Sweeper	126,360	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	479,270	0.3
FY10 CE Recommended	**4,418,490**	**4.0**

Waste System Program Development

This program supports the planning and development of solid waste programs in accordance with the mandates of the County's Ten Year Comprehensive Solid Waste Management Plan. This may include evaluating existing source reduction, recycling, composting, collection, and disposal programs and policies with the intent of achieving solid waste program goals.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**404,460**	**1.9**
Decrease Cost: No Waste Composition Study in FY10	-128,760	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	55,090	0.7
FY10 CE Recommended	**330,790**	**2.6**

Recycling Outreach & Education

This program provides for broadly educating the general public about recycling, buying recycled products, composting, grasscycling, and waste reduction, and the need to comply with applicable laws. Public education is an important tool supporting solid waste program goals and ensuring the success of recycling initiatives.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Percent of total municipal solid waste recycled	43.2	44.3	45.0	45.7	46.2
Percent of multi-family municipal solid waste recycled	13.5	13.7	13.6	13.7	13.7
Percent of single-family municipal solid waste recycled	56.2	55.8	54.1	55.0	55.2
Percent of non-residential municipal solid waste recycled	37.3	40.0	43.1	43.4	44.4
Multi-Family Recycling (tonnages)	13,348	12,401	13,772	13,132	13,724
Non-Residential Recycling (tonnages)	230,685	267,260	289,399	292,420	303,442
Number of Site Visits to Provide Recycling Assistance to Businesses	7,647	10,273	10,000	10,000	10,000
Single-Family Recycling (tonnages)	284,154	273,840	267,964	271,431	274,060
Tons Recycled Overall	528,187	553,501	571,135	576,983	591,225

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**357,460**	**1.1**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-26,340	0.1
FY10 CE Recommended	**331,120**	**1.2**

Support for Recycling Volunteers

The mission of this program is to use resident volunteers to augment available staff resources to educate the general public and thereby improve participation in waste reduction, recycling, and buying recycled programs. This resident-to-resident and peer-to-peer contact is very effective in motivating people living and working in the County to actively participate in recycling.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**198,870**	**1.4**
Increase Cost: Compost bins	59,070	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-3,890	-0.1
FY10 CE Recommended	**254,050**	**1.3**

Regulation of Refuse & Recycling Transportation

This program provides for the enforcement of license requirements and regulates commercial collectors and haulers of solid waste and recyclables.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**69,350**	**0.8**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	13,050	0.0
FY10 CE Recommended	**82,400**	**0.8**

Residential Household Hazardous Waste

This program funds a contractor to receive, sort, pack, ship, and properly dispose of household hazardous waste such as flammable products, insecticides, mercury, and reactive and corrosive chemicals. These products are removed from the municipal solid waste stream and processed at State and Federally-approved hazardous waste treatment, storage, and disposal facilities. This program also includes outreach to educate residents regarding the potential dangers of certain household products and to reduce generation of hazardous waste.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,050,550**	**0.5**
Increase Cost: Higher Participation and Media Costs	239,090	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-189,370	0.0
FY10 CE Recommended	**1,100,270**	**0.5**

Resource Recovery Facility & Related Waste Transfer

This program provides for the operation of the Montgomery County Resource Recovery Facility (RRF). The RRF serves as the primary disposal facility for non-recycled waste generated in the County. Electricity generated by the combustion of municipal solid waste is sold to Constellation Energy. The program also includes related costs at the Transfer Station and transportation of material between the Transfer Station and the RRF. Extensive environmental and operational monitoring is conducted, both on-site and in surrounding communities, to meet contractual obligations and all applicable regulatory standards regarding the facility.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Landfill space diverted from use as a result of recycling, grasscycling, and conversion to refuse to energy (cubic yards/year)[1]	2,015,054	2,058,409	2,119,439	2,153,583	2,240,350

[1] Cubic Yards/Year

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**32,903,310**	**2.0**
Increase Cost: Debt Service	3,065,180	0.0
Increase Cost: Air Pollution Control System CIP Project - Operating Budget Impact	1,568,000	0.0
Increase Cost: Contract costs at RRF	483,680	0.0
Decrease Cost: Risk Management Adjustment	-50,620	0.0
Decrease Cost: Reduce Tonnage Projections and Increase Turbine Efficiency	-511,130	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-15,720	-0.8
FY10 CE Recommended	**37,442,700**	**1.2**

Satellite Drop-Off Sites

This program operates satellite drop-off sites at the Damascus and Poolesville Highway Services Depots. Residents can bring bulky materials to these sites. The sites, which operate only on weekends, provide drop-off sites for trash items as a convenience to County residents and reduce the incidence of roadside dumping. Material that is collected is then transported to the Transfer Station in Rockville.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**576,810**	**3.1**
Decrease Cost: Contractual Expenses	-183,960	0.0
Reduce: Close Damascus Beauty Spot in October 2009	-188,790	-1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	68,180	-0.1
FY10 CE Recommended	**272,240**	**2.0**

Site 2 Landfill

This program provides for the management of properties acquired for a potential future landfill. All properties are leased and/or used by private residents. Management activities include the inspection, evaluation, and maintenance of leased agricultural land, single-family dwellings, and agricultural buildings. Activities are coordinated with the Division of Operations as needed.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**573,340**	**0.4**
Decrease Cost: Pond maintenance	-366,760	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	2,110	0.0
FY10 CE Recommended	**208,690**	**0.4**

Housing and Environmental Permit Enforcement

Enforcement provided by the Department of Housing and Community Affairs under this program consists of six related components. Staff respond to resident complaints dealing with: storage and removal of solid waste; illegal solid waste dumping activities in the County; storage of unregistered vehicles on private property throughout the County; storage of inoperable vehicles on private property; improper screening of dumpsters, particularly those in shopping areas; and control and regulation of weeds throughout the County. The program includes a "Clean or Lien" component, which provides for the removal of dangerous or unsightly trash, perimeter grass, and weeds on properties which the owners have failed to maintain as required. Also under this program, the Department of Environmental Protection provides surface and subsurface environmental compliance monitoring at all County solid waste facilities, and reviews reports of air monitoring of the Resource Recovery Facility.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,055,240**	**10.2**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	32,310	-0.1
FY10 CE Recommended	**1,087,550**	**10.1**

Solid Waste Transfer Station

The purpose of this program is to provide a receiving, processing, and shipping facility for municipal solid waste generated within the County. Yard waste is also received, processed, and shipped to the compost facility, mulch preserves, or other outlets. Other waste is handled or recycled including scrap metal, oil and anti-freeze, textiles, car batteries, and construction material. County staff operate the scale-house and oversee general operations, while contractors provide for the receipt and transfer of waste and operate the public unloading facility and recycling drop-off areas. This program includes enforcement of the County's ban on delivery of recyclables mixed in with trash delivered for disposal and the inspection and licensing of waste collection vehicles.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Number of Visits Related To ousehold Hazardous Waste Disposal	59,211	75,000	85,000	95,000	95,000

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**3,760,490**	**14.1**
Increase Cost: Contractual Expenses	674,400	0.0

	Expenditures	WYs
Increase Cost: Overtime charges	64,820	0.0
Increase Cost: Annualization of FY09 Lapsed Positions	23,280	0.4
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-162,120	0.6
FY10 CE Recommended	**4,360,870**	**15.1**

Waste Detoxification

This program provides assistance to businesses that qualify as small-quantity generators of hazardous waste by providing them an economical and environmentally safe disposal option. The materials are handled through the County's hazardous waste contractor and permitted hazardous waste management facilities.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**40,560**	**0.1**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	2,700	0.0
FY10 CE Recommended	**43,260**	**0.1**

Waste Reduction

This program provides for the development of activities to reduce solid waste before it enters the waste stream. Program efforts focus on source reduction of yard trim through grasscycling and backyard and on-site composting, as well as recovering textiles and building and construction materials for reuse. This program also encourages reducing the use of hazardous materials through outreach and public education

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**378,430**	**0.5**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	38,880	0.0
FY10 CE Recommended	**417,310**	**0.5**

Debt Service - Disposal Fund

This program contains principal and interest payments for general obligation bonds and revenue bonds used to fund the construction of solid waste facilities and other major improvements.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**4,006,750**	**0.0**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	2,250	0.0
FY10 CE Recommended	**4,009,000**	**0.0**

Administration

Provides budget management, program and management analysis, human resource management, contract administration, and administrative support.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,873,870**	**10.3**
Increase Cost: Department of Environmental Protection Director Chargeback	48,310	0.2
Increase Cost: Occupational Medical Services Adjustment	70	0.0
Decrease Cost: Risk Management Adjustment	-4,620	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-223,090	-1.9
FY10 CE Recommended	**1,694,540**	**8.6**

Refuse Collection - Residential

The purpose of this program is to secure, administer, monitor and enforce contracts with private collectors for residential refuse collection in Subdistrict A of the Solid Waste Collection and Disposal District, as well as to respond to service needs from residents.

Staff maintains the database of households served and administer the billing of that service. Staff also enforces Chapter 48 of the County Code.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Average number of recycling collections missed per week, not picked up within 24 hours	28	22	20	26	34
Average number of refuse collections missed per week, not picked up within 24 hours	10	7	6.7	8.6	11
Singe-family Solid Waste Charge: Refuse Collection Fee, charged for once per week curbside collection including on-call bulk pickups (dollars per household)	66	66	73	75	84

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**6,346,000**	**9.2**
Increase Cost: Increase in Household Counts and Fuel Cost Adjustment	52,920	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings	-15,220	0.0
Decrease Cost: Reallocation of personnel positions	-42,000	-0.4
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-29,500	0.2
FY10 CE Recommended	**6,312,200**	**9.0**

BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
SOLID WASTE COLLECTION					
EXPENDITURES					
Salaries and Wages	822,483	863,860	845,990	850,030	-1.6%
Employee Benefits	272,746	307,120	307,120	282,030	-8.2%
Solid Waste Collection Personnel Costs	***1,095,229***	***1,170,980***	***1,153,110***	***1,132,060***	***-3.3%***
Operating Expenses	5,237,501	5,583,550	5,583,550	5,607,580	0.4%
Capital Outlay	0	0	0	0	—
Solid Waste Collection Expenditures	***6,332,730***	***6,754,530***	***6,736,660***	***6,739,640***	***-0.2%***
PERSONNEL					
Full-Time	10	10	10	10	—
Part-Time	0	0	0	0	—
Workyears	11.4	12.1	12.1	11.8	-2.5%
REVENUES					
Civil Citations/Penalities/Misc	474	0	0	0	—
Collection Fees	5,919,072	6,521,670	6,600,640	6,787,950	4.1%
Investment Income	129,451	130,000	56,090	50,000	-61.5%
Solid Waste Collection Revenues	***6,048,997***	***6,651,670***	***6,656,730***	***6,837,950***	***2.8%***
SOLID WASTE DISPOSAL					
EXPENDITURES					
Salaries and Wages	6,327,510	6,580,670	6,574,180	6,739,130	2.4%
Employee Benefits	2,024,335	2,310,010	2,310,010	2,356,980	2.0%
Solid Waste Disposal Personnel Costs	***8,351,845***	***8,890,680***	***8,884,190***	***9,096,110***	***2.3%***
Operating Expenses	75,364,820	79,504,750	77,174,750	81,448,000	2.4%
Debt Service G.O. Bonds	2,535	0	0	0	—
Debt Service Other	4,014,450	4,006,750	4,006,750	4,009,000	0.1%
Capital Outlay	1,659,544	1,691,660	1,666,660	1,168,940	-30.9%
Solid Waste Disposal Expenditures	***89,393,194***	***94,093,840***	***91,732,350***	***95,722,050***	***1.7%***
PERSONNEL					
Full-Time	75	77	77	77	—
Part-Time	0	0	0	0	—
Workyears	93.3	94.4	94.4	92.9	-1.6%
REVENUES					
Civil Penalties/Fines	102,358	0	0	0	—
Disposal Fees/Operating Revenue	28,531,826	30,153,720	27,772,780	27,598,400	-8.5%
State Grant	10,000	0	0	0	—
Systems Benefit Charge	46,603,997	50,406,120	49,707,140	51,356,120	1.9%
Sale Of Recycled Materials	5,136,987	4,935,690	4,935,690	3,070,460	-37.8%
Investment Income: Pooled	3,881,957	3,659,350	1,642,470	1,440,000	-60.6%
Investment Income: Non-Pooled	99,828	60,000	70,000	60,000	—
Miscellaneous	7,302,764	8,179,730	6,740,050	10,345,280	26.5%
License Fees	10,500	10,150	10,150	10,500	3.4%
Solid Waste Disposal Revenues	***91,680,217***	***97,404,760***	***90,878,280***	***93,880,760***	***-3.6%***
DEPARTMENT TOTALS					
Total Expenditures	**95,725,924**	**100,848,370**	**98,469,010**	**102,461,690**	**1.6%**
Total Full-Time Positions	**85**	**87**	**87**	**87**	—
Total Part-Time Positions	***0***	***0***	***0***	***0***	—
Total Workyears	***104.7***	***106.5***	***106.5***	***104.7***	***-1.7%***
Total Revenues	***97,729,214***	***104,056,430***	***97,535,010***	***100,718,710***	***-3.2%***

FY10 RECOMMENDED CHANGES

	Expenditures	WYs
SOLID WASTE COLLECTION		
FY09 ORIGINAL APPROPRIATION	**6,754,530**	**12.1**
Other Adjustments (with no service impacts)		
Increase Cost: Increase in Household Counts and Fuel Cost Adjustment [Refuse Collection - Residential]	52,920	0.0
Increase Cost: Equipment Maintenance	18,310	0.0
Increase Cost: Department of Environmental Protection Director Chargeback	13,180	0.1
Increase Cost: Chargeback Increases	6,670	0.0
Increase Cost: Service Increment	6,670	0.0
Increase Cost: Retirement Adjustment	4,020	0.0
Increase Cost: Group Insurance Adjustment	2,770	0.0
Increase Cost: Printing and Mail Adjustment	2,510	0.0
Decrease Cost: Risk Management Adjustment [Administration]	-4,620	0.0
Decrease Cost: Annualization of FY09 Personnel Costs	-15,010	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings [Refuse Collection - Residential]	-15,220	0.0
Decrease Cost: Reallocation of personnel positions [Refuse Collection - Residential]	-42,000	-0.4
Decrease Cost: Motor Pool Rate Adjustment	-45,090	0.0
FY10 RECOMMENDED:	**6,739,640**	**11.8**
SOLID WASTE DISPOSAL		
FY09 ORIGINAL APPROPRIATION	**94,093,840**	**94.4**
Changes (with service impacts)		
Reduce: Close Damascus Beauty Spot in October 2009 [Satellite Drop-Off Sites]	-188,790	-1.0
Other Adjustments (with no service impacts)		
Increase Cost: Debt Service [Resource Recovery Facility & Related Waste Transfer]	3,065,180	0.0
Increase Cost: Air Pollution Control System CIP Project - Operating Budget Impact [Resource Recovery Facility & Related Waste Transfer]	1,568,000	0.0
Increase Cost: Contractual Expenses [Solid Waste Transfer Station]	674,400	0.0
Increase Cost: Contract costs at RRF [Resource Recovery Facility & Related Waste Transfer]	483,680	0.0
Increase Cost: Higher Participation and Media Costs [Residential Household Hazardous Waste]	239,090	0.0
Increase Cost: Residential Recycling Collection Program - Increase in Household Counts and Fuel Cost Adjustment [Recycling - Residential]	160,890	0.0
Increase Cost: Contractual Expenses and Replacement of Scrubber/Sweeper [Recycling Center]	126,360	0.0
Increase Cost: Implementation Schedule [Dickerson Master Plan]	125,440	0.0
Increase Cost: Information Technology Maintenance [Automation]	121,630	0.0
Increase Cost: Overtime charges [Solid Waste Transfer Station]	64,820	0.0
Increase Cost: Service Increment	61,620	0.0
Increase Cost: Compost bins [Support for Recycling Volunteers]	59,070	0.0
Increase Cost: Department of Environmental Protection Director Chargeback [Administration]	48,310	0.2
Increase Cost: Reallocation of Personnel Positions	42,850	0.4
Increase Cost: Retirement Adjustment	27,810	0.0
Increase Cost: Annualization of FY09 Lapsed Positions [Solid Waste Transfer Station]	23,280	0.4
Increase Cost: Group Insurance Adjustment	21,140	0.0
Increase Cost: Chargeback Increases	10,830	-1.5
Increase Cost: Printing and Mail Adjustment	3,970	0.0
Increase Cost: Occupational Medical Services Adjustment [Administration]	70	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings [Recycling - Residential]	-15,220	0.0
Decrease Cost: Annualization of Personnel Costs	-17,050	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09 [Recycling - Residential]	-25,500	0.0
Decrease Cost: Risk Management Adjustment [Resource Recovery Facility & Related Waste Transfer]	-50,620	0.0
Decrease Cost: Lower chargebacks in various programs	-127,830	0.0
Decrease Cost: No Waste Composition Study in FY10 [Waste System Program Development]	-128,760	0.0
Decrease Cost: Motor Pool Rate Adjustment	-130,910	0.0
Decrease Cost: Contractual Expenses [Satellite Drop-Off Sites]	-183,960	0.0
Decrease Cost: Reduce Compost Facility Export [Dickerson Compost Facility]	-300,000	0.0
Decrease Cost: Pond maintenance [Site 2 Landfill]	-366,760	0.0
Decrease Cost: Capital Items [Dickerson Compost Facility]	-497,220	0.0
Decrease Cost: Reduce Tonnage Projections and Increase Turbine Efficiency [Resource Recovery Facility & Related Waste Transfer]	-511,130	0.0
Decrease Cost: Tonnage Projections for Out-of-County Haul Program [Out-of-County Refuse Disposal]	-2,756,480	0.0
FY10 RECOMMENDED:	**95,722,050**	**92.9**

PROGRAM SUMMARY

Program Name	FY09 Approved Expenditures	FY09 Approved WYs	FY10 Recommended Expenditures	FY10 Recommended WYs
Automation	351,270	1.2	588,190	2.0
Revenue Management & System Evaluation	604,460	5.4	619,560	5.3
Commercial Recycling and Waste Reduction	1,688,940	10.3	1,742,310	10.4
Dickerson Compost Facility	4,060,120	1.0	2,997,650	0.9
Dickerson Master Plan	236,270	1.8	283,380	1.1
Gude Landfill	374,320	0.6	378,720	0.6
Mixed Paper Recycling	1,712,550	0.5	1,754,950	0.5
Oaks Landfill	1,522,850	1.1	1,556,400	1.4
Out-of-County Refuse Disposal	13,420,250	0.6	10,598,870	0.6
Recycling & Waste Reduction - Multi-Family Dwellings	717,890	4.1	752,480	4.1
Recycling - Residential	18,751,100	20.6	18,823,700	20.4
Recycling Center	3,812,860	3.7	4,418,490	4.0
Waste System Program Development	404,460	1.9	330,790	2.6
Recycling Outreach & Education	357,460	1.1	331,120	1.2
Support for Recycling Volunteers	198,870	1.4	254,050	1.3
Regulation of Refuse & Recycling Transportation	69,350	0.8	82,400	0.8
Residential Household Hazardous Waste	1,050,550	0.5	1,100,270	0.5
Resource Recovery Facility & Related Waste Transfer	32,903,310	2.0	37,442,700	1.2
Satellite Drop-Off Sites	576,810	3.1	272,240	2.0
Site 2 Landfill	573,340	0.4	208,690	0.4
Housing and Environmental Permit Enforcement	1,055,240	10.2	1,087,550	10.1
Solid Waste Transfer Station	3,760,490	14.1	4,360,870	15.1
Waste Detoxification	40,560	0.1	43,260	0.1
Waste Reduction	378,430	0.5	417,310	0.5
Debt Service - Disposal Fund	4,006,750	0.0	4,009,000	0.0
Administration	1,873,870	10.3	1,694,540	8.6
Refuse Collection - Residential	6,346,000	9.2	6,312,200	9.0
Total	**100,848,370**	**106.5**	**102,461,690**	**104.7**

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY09 TotalS	FY09 WYs	FY10 TotalS	FY10 WYs
SOLID WASTE DISPOSAL					
General Services	County General Fund	173,430	0.0	195,060	0.0
Liquor Control	Liquor Control	12,890	0.0	14,490	0.0
Parking District Services	Bethesda Parking District	46,170	0.0	51,910	0.0
Parking District Services	Montgomery Hills Parking District	1,440	0.0	1,620	0.0
Parking District Services	Silver Spring Parking District	88,000	0.0	98,960	0.0
Parking District Services	Wheaton Parking District	8,660	0.0	9,730	0.0
Total		**330,590**	**0.0**	**371,770**	**0.0**

FUTURE FISCAL IMPACTS

Title	CE REC. FY10	FY11	FY12	($000's) FY13	FY14	FY15
This table is intended to present significant future fiscal impacts of the department's programs.						
SOLID WASTE COLLECTION						
Expenditures						
FY10 Recommended	**6,740**	**6,740**	**6,740**	**6,740**	**6,740**	**6,740**
No inflation or compensation change is included in outyear projections.						
Labor Contracts	**0**	**3**	**3**	**3**	**3**	**3**
These figures represent the estimated cost of service increments and associated benefits.						
Retiree Health Insurance Pre-Funding	**0**	**34**	**51**	**54**	**58**	**62**
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	***6,740***	***6,777***	***6,793***	***6,797***	***6,801***	***6,805***

Title	CE REC. FY10	FY11	FY12	($000's) FY13	FY14	FY15
SOLID WASTE DISPOSAL						
Expenditures						
FY10 Recommended	95,722	95,722	95,722	95,722	95,722	95,722
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	33	33	33	33	33
These figures represent the estimated cost of service increments and associated benefits.						
Close Damascus Beauty Spot	0	-42	-42	-42	-42	-42
Close Damascus Beauty Spot for full year in FY11 (closed for nine months in FY10)						
Compost Facility Equipment	0	2,326	400	309	906	416
Replacement of equipment at the Dickerson Compost Facility.						
Debt Service - Revenue Bonds	0	2	0	-1,190	-4,009	-4,009
Changes to principal and interest payments on Revenue Bonds.						
Nitrogen Oxide (Nox) Control System	0	59	-330	-289	-247	-208
Operating Budget Impact						
Recycling Center Equipment	0	-488	-216	292	-455	-497
Replacement of equipment at the Recycling Center.						
Resource Recovery Facility Equipment	0	220	262	0	0	0
Replacement of Equipment at Resource Recovery Facility						
Retiree Health Insurance Pre-Funding	0	269	404	434	466	500
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Transfer Station Equipment	0	-136	-294	-488	0	0
Replacement of equipment at the Solid Waste Transfer Station.						
Subtotal Expenditures	***95,722***	***97,965***	***95,938***	***94,781***	***92,374***	***91,915***

SOLID WASTE ENTERPRISE FUND

RATES AND FISCAL PROJECTIONS FOR FY10-15

Assumptions:

- Refuse collection services are maintained at their current level, but the annual household collection charge increases from $73.00 to $75.00.

- The disposal fee for municipal solid waste received at the Transfer Station (known as the "Tipping Fee") is unchanged at $56.00 per ton.

- Solid waste system service charges are adjusted to ensure the fiscal health of the fund (i.e., positive cash and retained earnings). The Executive recommends increasing the single-family service charges from $202.72 to $209.85.

- Expenditures for certain programs, such as the Resource Recovery Facility, Out-of-County Haul, and Mixed Paper Recycling, are calculated based on waste generation, disposal, and recycling estimates, as well as inflation. Other expenditures are increased by inflation, except where contract or scheduled costs apply.

FY10-15 PUBLIC SERVICES PROGRAM: FISCAL PLAN		SOLID WASTE COLLECTION					
FISCAL PROJECTIONS	**FY09 ESTIMATE**	**FY10 REC**	**FY11 PROJECTION**	**FY12 PROJECTION**	**FY13 PROJECTION**	**FY14 PROJECTION**	**FY15 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	12.88%	**13.73%**	13.73%	13.73%	13.73%	13.73%	13.73%
CPI (Fiscal Year)	4.1%	**3.3%**	2.8%	2.5%	2.5%	2.5%	2.5%
Charge Per Household (once-weekly refuse collection)	$ 73.00	**$ 75.00**	$ 84.00	$ 87.00	$ 90.00	$ 91.00	$ 94.00
Number of Households (mid-FY)	90,289	**90,506**	91,210	91,913	92,616	93,319	94,022
BEGINNING FUND BALANCE	**1,328,440**	**1,071,420**	**966,380**	**1,018,560**	**1,075,430**	**1,054,600**	**1,091,260**
REVENUES							
Charges For Services	6,600,640	**6,787,950**	7,661,640	7,996,430	8,335,440	8,492,030	8,838,070
Miscellaneous	56,090	**50,000**	80,000	130,000	150,000	170,000	190,000
Subtotal Revenues	**6,656,730**	**6,837,950**	**7,741,640**	**8,126,430**	**8,485,440**	**8,662,030**	**9,028,070**
INTERFUND TRANSFERS (Net Non-CIP)	**(177,090)**	**(186,500)**	**(198,380)**	**(196,210)**	**(196,250)**	**(191,430)**	**(199,890)**
Transfers To The General Fund	(177,090)	(186,500)	(198,380)	(196,210)	(196,250)	(191,430)	(199,890)
Indirect Costs	(150,820)	(155,430)	(163,110)	(170,590)	(178,330)	(186,430)	(194,890)
Desktop Computer Modernization	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL RESOURCES	**7,808,080**	**7,722,870**	**8,509,640**	**8,948,780**	**9,364,620**	**9,525,200**	**9,919,440**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,736,660)	**(6,739,640)**	(7,454,130)	(7,819,570)	(8,252,450)	(8,372,380)	(8,710,920)
Retiree Health Insurance Pre-Funding	n/a	**0**	(33,670)	(50,500)	(54,290)	(58,280)	(62,470)
Labor Agreement	n/a	**0**	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)
Subtotal PSP Oper Budget Approp / Exp's	**(6,736,660)**	**(6,739,640)**	**(7,491,080)**	**(7,873,350)**	**(8,310,020)**	**(8,433,940)**	**(8,776,670)**
Other Claims on Fund Balance	**0**	**(16,850)**	**0**	**0**	**0**	**0**	**0**
TOTAL USE OF RESOURCES	**(6,736,660)**	**(6,756,490)**	**(7,491,080)**	**(7,873,350)**	**(8,310,020)**	**(8,433,940)**	**(8,776,670)**
YEAR END FUND BALANCE	**1,071,420**	**966,380**	**1,018,560**	**1,075,430**	**1,054,600**	**1,091,260**	**1,142,770**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**13.7%**	**12.5%**	**12.0%**	**12.0%**	**11.3%**	**11.5%**	**11.5%**

Assumptions:

1. Refuse collection charges are adjusted to achieve cost recovery

Notes:

1. The refuse collection charge is adjusted annually to fund the approved service program and to maintain an ending net asset balance between 10% and 15% of resources at the end of the six-year planning period. The fund balance policy for the Collection Fund was completed in August 2004.
2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here.

FY09-15 DIVISION OF SOLID WASTE SERVICES							
FISCAL PROJECTIONS	ESTIMATED FY09	PROJECTED FY10	PROJECTED FY11	PROJECTED FY12	PROJECTED FY13	Projected FY14	Projected FY15
CHARGES/FEES							
Single-Family Charges ($/Household)	202.72	209.85	213.49	214.04	214.27	214.36	214.38
% change in rate from previous year	2.2%	3.5%	1.7%	0.3%	0.1%	0.0%	0.0%
Multi-Family Charges ($/Dwelling Unit)	16.41	16.42	16.44	16.44	16.44	16.44	10.77
% change in rate from previous year	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	-34.5%
Nonresidential Charges (medium "category" charge)	456.06	500.80	581.75	601.58	615.17	629.88	647.74
% change in rate from previous year	5.7%	9.8%	16.2%	3.4%	2.3%	2.4%	2.8%
Nonresidential Charges (average $/2000 sq. ft.)	183.54	202.02	234.67	242.67	248.15	254.08	261.29

OPERATIONS CALCULATION

Goal is to maintain Net Change near zero

REVENUES							
Disposal Fees	27,772,780	27,598,400	29,090,610	29,053,300	29,015,990	28,984,160	28,952,320
Charges for Services/SBC	49,707,140	51,356,120	58,492,600	59,758,890	60,962,390	62,166,210	63,137,070
Miscellaneous	11,685,890	13,426,240	16,328,420	16,519,640	16,714,020	16,847,010	16,986,730
Investment Income	1,712,470	1,500,000	2,320,000	3,700,000	4,200,000	4,800,000	5,360,000
Subtotal Revenues	**90,878,280**	**93,880,760**	**106,231,630**	**109,031,830**	**110,892,400**	**112,797,380**	**114,436,120**
INTERFUND TRANSFERS	**1,120,820**	**1,045,880**	**1,505,650**	**1,176,520**	**1,208,560**	**1,323,410**	**1,142,470**
EXPENDITURES							
Personnel Costs	(8,884,190)	(9,096,110)	(9,496,610)	(9,930,480)	(10,381,860)	(10,851,130)	(11,344,370)
Operating Expenses	(81,181,500)	(85,457,000)	(94,417,050)	(98,666,840)	(100,556,070)	(100,340,420)	(107,215,640)
Capital Outlay	(1,666,660)	(1,168,940)	(2,919,460)	(1,059,000)	(1,282,620)	(1,132,050)	(600,040)
Subtotal Expenditures	**(91,732,350)**	**(95,722,050)**	**(106,833,120)**	**(109,656,320)**	**(112,220,550)**	**(112,323,600)**	**(119,160,050)**
POTENTIAL FUTURE EXPENDITURES*	-	-	-	-	-	-	-
CURRENT RECEIPTS TO CIP**	**(9,468,000)**	**(1,301,000)**	**(9,332,000)**	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	**1,471,990**	**1,510,610**	**1,553,450**	**1,597,150**	**1,641,340**	**1,686,810**	**1,733,610**
CY ACCRUED CLOSURE COSTS	**(43,330)**	**(42,100)**	**(43,200)**	**(43,700)**	**(44,190)**	**(45,470)**	**(138,320)**
NET CHANGE	**(7,772,590)**	**(627,900)**	**(6,917,590)**	**2,105,480**	**1,477,560**	**3,438,530**	**(1,986,170)**

***Extraordinary Expenditure Charges to Stability Fund**
**** Amounts may not match PDF display for the CIP**

CASH POSITION

Goal is to maintain Cash and Investments Over/(Under) Reserve Requirements at greater than zero

ENDING CASH & INVESTMENTS							
Unrestricted Cash	34,234,100	25,521,130	18,737,950	17,193,290	15,939,420	14,622,600	13,340,530
Restricted Cash	30,900,270	35,532,620	35,001,700	37,540,370	39,111,710	42,489,910	40,892,800
Subtotal Cash & Investments	**65,134,370**	**61,053,750**	**53,739,650**	**54,733,660**	**55,051,130**	**57,112,510**	**54,233,330**
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(22,928,260)	(25,705,590)	(26,411,890)	(27,350,320)	(28,080,900)	(29,790,010)	(29,790,010)
Debt Service Reserve	(1,590,000)	(1,248,000)	(893,000)	(524,000)	(255,500)	-	-
Future System Contingency Reserve	(1,000,000)	(1,668,480)	(1,000,000)	(1,713,690)	(2,429,380)	(3,146,080)	(3,863,770)
Research & Development Reserve	(100,000)	(411,360)	(737,090)	(1,067,280)	(1,402,320)	(1,742,440)	(2,087,260)
Renewal & Replacement Reserve	(3,987,800)	(4,095,470)	(4,204,000)	(4,313,310)	(4,423,300)	(4,536,090)	(4,651,760)
Stability Reserve	(1,294,200)	(2,403,720)	(1,755,710)	(2,571,760)	(2,520,310)	(3,275,290)	(500,000)
Subtotal Reserve Requirements	**(30,900,260)**	**(35,532,620)**	**(35,001,690)**	**(37,540,360)**	**(39,111,710)**	**(42,489,910)**	**(40,892,800)**
Closure/Postclosure Liability	(21,706,510)	(20,238,000)	(18,727,750)	(17,174,300)	(15,577,160)	(13,935,820)	(12,340,530)
Current Liabilities Not Including Debt/Closure							
Subtotal Reserve & Liability Requirements	**(52,606,770)**	**(56,770,620)**	**(53,729,440)**	**(54,714,660)**	**(54,688,870)**	**(56,425,730)**	**(53,233,330)**
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	**12,527,600**	**5,283,130**	**10,210**	**19,000**	**362,260**	**686,780**	**1,000,000**

RETAINED EARNINGS

Goal is to maintain Retained Earnings at greater than reserve requirements

ENDING RETAINED EARNINGS	68,934,760	68,440,940	75,245,640	79,335,850	82,621,350	84,857,160	81,478,920
Less: Reserve Requirements	(30,900,260)	(35,532,620)	(35,001,690)	(37,540,360)	(39,111,710)	(42,489,910)	(40,892,800)
RETAINED EARNINGS OVER/(UNDER) RESERVE REQUIREMENTS	**38,034,500**	**32,908,320**	**40,243,950**	**41,795,490**	**43,509,640**	**42,367,250**	**40,586,120**

FY10 Solid Waste Service Charges

1. **Purpose** - To fund solid waste management services provided to residents and businesses in Montgomery County through service charges to all entities that benefit from such services.

2. **Classification of Service Charges** - There are five basic categories of service charges:

   Base Systems Benefit Charge - Paid by all entities to cover costs of system administration, historical debt service, waste reduction, and "stand-by" disposal capacity.

   Incremental Systems Benefit Charge - Paid by entities based on sector-specific services they receive (single-family homeowners pay for curbside recycling collection and processing, businesses pay for the commercial recycling program, etc.)

   Disposal Charges - Paid as a service charge via the tax bill or at the Transfer Station by all entities who deliver solid waste to Montgomery County for disposal. At the Solid Waste Transfer Station, this charge is referred to as the "Tipping Fee" for accepting municipal solid waste for disposal.

   Leaf Vacuuming Charge - Covers the cost of leaf vacuuming service provided in the Leaf Vacuuming District.

   Refuse Collection Charge - Paid by homeowners who receive once weekly refuse collection service by County contractors.

3. **Implementation of Service Charges** - Service charges are collected from the various sectors in the following manner:

	Base Systems Benefit Charge	**Incremental Systems Benefit Charge**	**Disposal Charge**	**Leaf Vacuuming Charge**	**Refuse Collection Charge**
Unincorporated Single-Family	Via tax bill	Via tax bill	Via tax bill	Via tax bill to those serviced	Via tax bill to those serviced
Incorporated Single-Family	Via tax bill	Not applicable	Charged at Transfer Station	Not applicable	Not applicable
Unincorporated Multi-family	Via tax bill	Via tax bill	Charged at Transfer Station	Via tax bill to those serviced	Not applicable
Incorporated Multi-family	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
Unincorporated Non-Residential	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
Incorporated Non-Residential	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable

FY10 RECOMMENDED SOLID WASTE SERVICE CHARGES TO BE COLLECTED VIA REAL PROPERTY ACCOUNT BILLING

	Base Charge ($/ton)	x	Billing Rate (tons/HH)	=	Disposal Charge	+	Base Systems Benefit Charge	+	Incremental Systems Benefit Charge	+	Refuse Collection Charge	+	Leaf Vacuuming Charge****	=	Total Bill
Code Reference	48-32(a)(1)				48-32(c)(2)		48-8A(b)(2)(A)		48-8A(b)(2)(B)		48-29		48-47		
SUBDISTRICT A (Refuse Collection District)*															
Inside Leaf Vacuuming District	$ 56.00		0.98282		$ 55.04		$ 24.45		$130.36		$ 75.00		$ 93.96		$ 378.81
Outside Leaf Vacuuming District	$ 56.00		0.98282		$ 55.04		$ 24.45		$130.36		$ 75.00				$ 284.85
Incorporated							$ 24.45								$ 24.45
SUBDISTRICT B SINGLE-FAMILY**															
Incorporated							$ 24.45								$ 24.45
Inside Leaf Vacuuming District															
Unincorporated	$ 56.00		0.98282		$ 55.04		$ 24.45		$130.36				$ 93.96		$ 303.81
Outside Leaf Vacuuming District															
Unincorporated	$ 56.00		0.98282		$ 55.04		$ 24.45		$130.36						$ 209.85
MULTI-FAMILY RESIDENTIAL**															
Incorporated							$ 3.92		$12.50						$ 16.42
Unincorporated															
Outside Leaf Vacuuming District							$ 3.92		$12.50						$ 16.42
Inside Leaf Vacuuming District							$ 3.92		$12.50				$ 4.06		$ 20.48
NONRESIDENTIAL - $/2,000 SQ. FT. ***															
Code Reference															
Waste Generation Categories															
Low							$ 97.58		$ 2.58						$ 100.16
Medium Low							$ 292.75		$ 7.73						$ 300.48
Medium							$ 487.92		$ 12.89						$ 500.81
Medium High							$ 683.08		$ 18.04						$ 701.12
High							$ 878.25		$ 23.20						$ 901.45

OTHER RECOMMENDED FY 10 SOLID WASTE FEES

Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")	$56.00 /disposal ton		
Waste delivered for disposal <500 lb loads in privately owned and operated vehicles or trailers <1,000 capacity per Section 48-32(c)(2):	$0.00 /disposal ton	Recyclable Materials Acceptance Fees (Section 48-32(a)(2)):	
		Paper and Commingled Containers	$0.00 /ton
		Yard Trim	$40.00 /ton
Waste delivered in open-top roll-off box	$60.00 /disposal ton	Miscellaneous (48-31(f)): Compost Bins	$0.00 each

* Note: Base Sysem Benefit Charges are set to cover County Base System Costs net of Disposal Charges.

** With respect to Base and Incremental System Benefit Charges, this category includes dwellings in buildings of six or fewer households.

*** The Nonresidential rate multiplied by the total number of 2,000 square foot units of enclosed area equals the nonresidential charge.

**** The Vacuum Leaf Fund will be administered by the Department of Transportation starting in FY10.

Transfer Station Improvements -- No. 500550

Category	**Solid Waste-Sanitation**	Date Last Modified	**March 18, 2009**
Subcategory	**Solid Waste Management**	Required Adequate Public Facility	**No**
Administering Agency	**General Services**	Relocation Impact	**None.**
Planning Area	**Rockville**	Status	**Planning Stage**

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	2,374	614	580	1,180	904	276	0	0	0	0	0
Land	1	1	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,397	0	565	9,832	0	500	9,332	0	0	0	0
Construction	7,141	6,538	119	484	0	484	0	0	0	0	0
Other	41	0	0	41	0	41	0	0	0	0	0
Total	**19,954**	**7,153**	**1,264**	**11,537**	**904**	**1,301**	**9,332**	**0**	**0**	**0**	**0**

FUNDING SCHEDULE ($000)

Solid Waste Disposal Fund	19,954	7,153	1,264	11,537	904	1,301	9,332	0	0	0	0
Total	**19,954**	**7,153**	**1,264**	**11,537**	**904**	**1,301**	**9,332**	**0**	**0**	**0**	**0**

OPERATING BUDGET IMPACT ($000)

Maintenance				297	0	0	0	99	99	99
Energy				132	0	0	0	44	44	44
Program-Staff				408	0	0	0	136	136	136
Program-Other				1,203	0	0	0	401	401	401
Net Impact				**2,040**	**0**	**0**	**0**	**680**	**680**	**680**
WorkYears					0.0	0.0	0.0	2.2	2.2	2.2

DESCRIPTION

This project consists of the assessment of the effectiveness of current operations at the Transfer Station Complex, and the planning, design and implementation of improvements to the facility. The County needs to plan and prepare the necessary infrastructure to maintain fundamental waste management services. This requires: modifications to the current transfer station facility to improve safety by separating large collection vehicles from smaller vehicles being driven and unloaded by residents and businesses; increases in the efficiency of operations through additional truck scales for weighing in and weighing out vehicles and additional unloading areas; and reductions in the frequent queuing of vehicles onto Shady Grove Road. This project also provides for the design and construction of a yard trim/wood waste processing facility to be relocated from the Transfer Station complex to the Gude Drive Landfill.

COST CHANGE

Revised project schedule to reflect current implementation plans.

JUSTIFICATION

The growth in County population, the increases in the percentage of County-generated waste that stays in the County and is disposed of at County facilities, the increases in the number and size of businesses, and the corresponding increases in the number of collection vehicles serving these businesses dropping off refuse and recyclables all contribute to significant impacts on the efficient and effective operation of County waste facilities. Over the past several years, the County added programs to the Transfer Station site to improve customer service, recycling opportunities, and address State and County requirements, i.e., yard waste was banned from disposal facilities. When the Transfer Station opened over 20 years ago, it just handled waste for disposal. Presently, in addition to handling waste for disposal, the Transfer Station provides an extensive drop-off area for recycling and a yard waste drop-off and processing area. This has resulted in increased demands on the Transfer Station site resulting in a need to upgrade the facility to safely and efficiently handle the increased volume in traffic and waste. The Management of Yard Trim/Wood Waste is the second largest activity at the Transfer Station, after the management of burnable solid wastes. The Transfer Station receives approximately 40,000 to 80,000 tons per year of yard trim/wood waste to be managed as a separate recyclable commodity. The new facility at the Gude Landfill includes an 8,000 square foot maintenance building, two seventy foot scales with a scale house, office space, loading scale and tarping station, parking, waste drop off, and processing areas.

OTHER DISCLOSURES

- A pedestrian impact analysis has been completed for this project.

CE Recommended Amendment
3/19/09

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY05	($000)
First Cost Estimate Current Scope	FY09	19,954
Last FY's Cost Estimate		19,954
Appropriation Request	FY10	1391 ~~10,633~~
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		9,321
Expenditures / Encumbrances		7,172
Unencumbered Balance		2,149
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

COORDINATION

Department of General Services
Department of Environmental Protection
M-NCPPC
Department of Permitting Services
PEPCO
WSSC

MAP

See Map on Next Page

(19)

Transfer Station Improvements -- No. 500550

Category	Solid Waste-Sanitation	Date Last Modified	June 03, 2008
Subcategory	Solid Waste Management	Required Adequate Public Facility	No
Administering Agency	General Services	Relocation Impact	None.
Planning Area	Rockville	Status	Planning Stage

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	2,375	497	698	1,180	904	276	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,397	0	565	9,832	0	9,832	0	0	0	0	0
Construction	7,141	4,803	1,854	484	0	484	0	0	0	0	0
Other	41	0	0	41	0	41	0	0	0	0	0
Total	**19,954**	**5,300**	**3,117**	**11,537**	**904**	**10,633**	**0**	**0**	**0**	**0**	**0**

FUNDING SCHEDULE ($000)

Solid Waste Disposal Fund	19,954	5,300	3,117	11,537	904	10,633	0	0	0	0	0
Total	**19,954**	**5,300**	**3,117**	**11,537**	**904**	**10,633**	**0**	**0**	**0**	**0**	**0**

OPERATING BUDGET IMPACT ($000)

Maintenance				149	0	9	35	35	35	35
Energy				68	0	4	16	16	16	16
Program-Staff				569	0	33	134	134	134	134
Program-Other				1.713	0	101	403	403	403	403
Net Impact				**2,499**	**0**	**147**	**588**	**588**	**588**	**588**
WorkYears					0.0	0.3	2.2	2.2	2.2	2.2

DESCRIPTION

This project consists of the assessment of the effectiveness of current operations at the Transfer Station Complex, and the planning, design and implementation of improvements to the facility. The County needs to plan and prepare the necessary infrastructure to maintain fundamental waste management services. This requires: modifications to the current transfer station facility to improve safety by separating large collection vehicles from smaller vehicles being driven and unloaded by residents and businesses; increases in the efficiency of operations through additional truck scales for weighing in and weighing out vehicles and additional unloading areas; and reductions in the frequent queuing of vehicles onto Shady Grove Road. This project also provides for the design and construction of a yard trim/wood waste processing facility to be relocated from the Transfer Station complex to the Gude Drive Landfill.

COST CHANGE

Increase due to the addition of design and construction costs for the yard trim/wood waste facility.

JUSTIFICATION

The growth in County population, the increases in the percentage of County-generated waste that stays in the County and is disposed of at County facilities, the increases in the number and size of businesses, and the corresponding increases in the number of collection vehicles serving these businesses dropping off refuse and recyclables all contribute to significant impacts on the efficient and effective operation of County waste facilities. Over the past several years, the County added programs to the Transfer Station site to improve customer service, recycling opportunities, and address State and County requirements, i.e., yard waste was banned from disposal facilities. When the Transfer Station opened over 20 years ago, it just handled waste for disposal. Presently, in addition to handling waste for disposal, the Transfer Station provides an extensive drop-off area for recycling and a yard waste drop-off and processing area. This has resulted in increased demands on the Transfer Station site resulting in a need to upgrade the facility to safely and efficiently handle the increased volume in traffic and waste. The Management of Yard Trim/Wood Waste is the second largest activity at the Transfer Station, after the management of burnable solid wastes. The Transfer Station receives approximately 40,000 to 80,000 tons per year of yard trim/wood waste to be managed as a separate recyclable commodity. The new facility at the Gude Landfill includes an 8,000 square foot maintenance building, two seventy foot scales with a scale house, office space, loading scale and tarping station, parking, waste drop off, and processing areas.

OTHER DISCLOSURES

- A pedestrian impact analysis has been completed for this project.

Approved FY09-14

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY05	($000)
First Cost Estimate Current Scope	FY09	19,954
Last FY's Cost Estimate		8,417
Appropriation Request	FY09	904
Appropriation Request Est.	FY10	10,633
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		8,417
Expenditures / Encumbrances		7,864
Unencumbered Balance		553
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

COORDINATION

Department of General Services
Department of Environmental Protection
M-NCPPC
Department of Permitting Services
PEPCO
WSSC

MAP

See Map on Next Page

20