

Worksession

MEMORANDUM

May 3, 2022

TO: Transportation & Environment Committee

FROM: Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY23 Operating Budget: Department of Environmental Protection¹ (DEP) General Fund and Water Quality Protection Fund and Climate Change Planning Non-Departmental Account (NDA)**

PURPOSE: To review and make recommendations to the Full Council

County Executive Recommended DEP Budget Summary

- **General Fund**
 - \$7.6 million (an increase of \$4.1 million or 116.6 percent)
 - Climate Change-related initiatives = +\$3.96 million and +9.0 FTEs
- **Water Quality Protection Fund (WQPF)**
 - \$30.97 million (an increase of \$1.5 million or 5.1 percent)
 - Three new positions
 - Equivalent Residential Unit (ERU) rate for the Water Quality Protection Charge (WQPC) to increase from \$113.50 to \$119.50
- **Climate Change Planning NDA**
 - \$691,677 (an increase of \$41,477 or 6.4 percent)
 - Cost increase related to annualization of costs for three positions created in FY22 and a small portion of the County Climate Officer position (shared with other departments)
 - \$400,000 in operating costs for various Climate Change related initiatives continues into FY23

Council Staff Recommendations

- Approve the General Fund, WQPF and Climate Change Planning NDA as Recommended by the County Executive. *NOTE: Potential General Fund reductions for affordability are discussed.*
- Approve the WQPC ERU rate as recommended by the County Executive

¹ #DEPBudget and Water Quality Protection Fund and Stormwater.

Participants Include:

- Adriana Hochberg, Acting Director, Department of Environmental Protection (DEP)
- Patty Bubar, Deputy Director, DEP
- Stan Edwards, Chief, Energy, Climate and Compliance Division, DEP
- Lindsey Shaw, Chief, Energy and Climate Section, DEP
- Anthony Skinner, Chief, Business Operations, DEP
- Frank Dawson, Chief, Watershed Restoration Division, DEP
- Amy Stevens, Chief, Planning Outreach and Monitoring Section, DEP
- Laura Miller, Tree Montgomery Program, DEP
- Pam Parker, Chief, Stormwater Inspection and Maintenance, DEP
- Ann English, RainScapes Program, DEP
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

Attachments to this Memorandum:

- County Executive’s Recommended FY23 Operating Budget – DEP Section (©1-11)
- Presentation Slides: Climate Action in Montgomery County (©12-18)
- New Items in the FY23 Recommended DEP General Fund Budget (©19-20)
- New Initiatives in the FY23 Recommended WQPF Budget (©21-22)
- Climate, Energy, and Air Quality Advisory Committee Letter of April 25, 2022 (©23-24)
- Stormwater Partners Public Hearing Testimony (©25-30)

For this budget review, an overview of DEP (including the General Fund and Water Quality Protection Fund (WQPF)) is presented first. More detailed discussion is presented by fund (General Fund, followed by the WQPF) later in this memorandum. The Recycling and Resource Management Division (RRMD) is reviewed separately (see T&E Committee Item #3).

Department Overview

**Table #1
DEP Expenditures and Positions/FTEs (General Fund and WQPF)**

Totals	Actual	Approved	CE Rec	Change FY23-FY22	
	FY21	FY22	FY23	\$\$\$	%
Personnel Costs	10,837,795	12,159,590	13,346,452	1,186,862	9.8%
Operating Expenses	20,346,750	20,812,384	25,187,789	4,375,405	21.0%
Capital Outlay	-	-	-	-	n/a
Total	31,184,545	32,971,974	38,534,241	5,562,267	16.9%
Full-Time Positions	92	97	121	24	24.7%
Part-Time Positions	0	1	1	-	n/a
FTEs	108.40	109.90	122.48	12.58	11.4%

For FY23, the Executive recommends total expenditures of \$38.5 million for the Department of Environmental Protection, a 16.9 percent increase from the FY22 Approved budget. These numbers include expenditures in the General Fund and the WQPF. No grant-funded expenditures are assumed in FY22 or FY23 at this time. Also, as noted earlier, the RRMD budget is to be reviewed separately by the Committee and is not included in the above numbers.

Overall, the WQPF is over 80 percent of the total DEP budget (not counting RRMD) for FY23. This ratio is down from 89.4 percent of the FY22 approved budget (because of increased climate change-related spending in the FY23 Recommended General Fund portion of the DEP budget). For comparison,

the WQPF was less than half the DEP budget in FY06, prior to the major expansion in program expenditures to address the requirements of the County's current National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit.

Not included in Table #1 are charges to the CIP. In addition to CIP current revenue, beginning in FY11, the WQPF began debt-financing some projects. As the debt financing has ramped up, the debt service requirement has as well. Per the Recommended Fiscal Plan (see ©11, "Transfers to Debt Service Fund" line), WQPF debt service in FY23 is estimated at about \$10.4 million (up about \$958,000 from the FY22 estimate). That number rises to \$18.6 million by FY28.

DEP also charges 8.05 FTEs and \$1.1 million in FY22 to the Solid Waste Collection and Disposal Funds for environmental monitoring activities of the Gude and Oaks closed landfills, as well as portions of staff time in the Director's office related to administrative functions for the Recycling and Resource Management Division. Similar charges are assumed for FY23 (7.5 FTEs and \$1.1 million).

The focus of this Staff Report is on the FY23 DEP budget as recommended by the County Executive. Council Staff has focused this Staff Report on the major changes reflected in the FY23 Recommended Budget (by fund as presented later in this memorandum).

However, Council Staff has noted below various DEP-related issues that will likely be coming back to the Council for review after budget.

Issues for Discussion After Budget and during FY23

- Building Energy Performance Standards Regulation Development
- Climate Change Planning Update
- Water and Sewer Plan Comprehensive Update
- Bill 40-21 Individual Water Supply and Sewage Disposal Systems – Amendments
- Unserved and Underserved Communities Bi-County Workgroup Report Recommendations
- Noise Law Issues: Urban noise and lawn equipment
- Water Quality Protection Charge Credit Program Structure
- Racial Equity and Social Justice and the DEP Budget

Letters/testimony from the Climate, Energy, and Air Quality Advisory Committee and the Stormwater Partners are attached (see ©23-30). In general, both groups are supportive of the recommended increases in the DEP budget for climate change and stormwater management-related activities and suggest additional focus/spending in certain areas. DEP staff will be available at the Committee meeting to discuss these groups' recommendations.

General Fund Budget

Overview

Table #2
DEP Expenditures and Positions/FTEs

General Fund	Actual	Approved	CE Rec	Change FY23-FY22	
	FY21	FY22	FY23	\$\$\$	%
Personnel Costs	1,828,193	2,203,678	3,025,353	821,675	37.3%
Operating Expenses	1,368,705	1,287,605	4,537,953	3,250,348	252.4%
Capital Outlay	-	-	-	-	-
Total	3,196,898	3,491,283	7,563,306	4,072,023	116.6%
Full-Time Positions	46	49	61	12	24.5%
Part-Time Positions	0	0	0	-	n/a
FTEs	16.29	16.29	25.64	9.35	57.4%

As shown in Table #2, for FY23, General Fund expenditures in the DEP budget are recommended to increase by \$4.1 million (or 116.6 percent). This large increase is almost entirely for new positions and operating costs for new and expanded climate change-related efforts (\$3.96 million and 9 new positions). The climate change related expenditures are discussed in more detail below. DEP has also reallocated some positions across the various DEP funds which accounts for the additional positions now shown in the General Fund.

General Fund Summary Crosswalk from FY22 to FY23

A crosswalk of all major expenditure changes is included in the Recommended General Fund budget for DEP (see ©7-8). Aside from the big increase associated with climate-change related initiatives mentioned earlier, the remaining increase in the General Fund budget is \$115,582 (+3.6 percent) and consists mostly of technical increases, such as the FY23 Compensation adjustment (+\$26,349), annualization of FY22 Personnel Costs (+\$21,942), reallocation of position costs within the different DEP funds (+\$46,140) and some technical decreases in Retirement costs (-\$25,247) and Motor Pool (-\$34,680).

General Fund Workforce

General Fund FTEs declined substantially over the past decade as many positions (or portions of staff charges) began charging to the WQPF. As a result, General Fund positions and FTEs have declined from their peak of 48 positions and 37.8 FTEs in FY02.

Other than the administrative, management, and IT needs of the Department, the major policy areas of staffing for DEP in the Approved FY22 General Fund budget are:

- **Intergovernmental Affairs Division** (4 positions including the Division Chief) – This function includes managing the County’s Water and Sewer Plan (and amendments/category changes requested) and coordinating with various outside agencies, such as WSSC, M-NCPPC, DCWater, and the Metropolitan Washington Council of Governments. These positions are funded primarily out of the General Fund, but with some charges to the Solid Waste Fund as well.
- **Energy, Climate, and Compliance Division** (17 positions including the Division Chief)
 - **Environmental Compliance** (8 positions with 2 current vacancies) – This section responds to cases involving water quality, indoor and outdoor air quality, illegal dumping,

- noise, general environmental assessments, and other miscellaneous environmental issues. They also monitor the closed Oaks and Gude landfills and the Beantown dump. A portion of their staff time is charged to the WQPF.
- **Office of Energy and Climate** (8 positions with 1 vacancy) – This section includes DEP’s Office of Sustainability. This office focuses on external activities for residents and businesses to promote and improve environmental sustainability, while the similarly named office in the Department of General Services focuses internally on the County Government’s efforts to green its own operations and to implement energy conservation and renewable energy efforts.

General Fund Operating Expenses

The Recommended General Fund budget includes \$4.5 million in operating expenses; mostly for the Climate Change-related initiatives noted earlier.

Apart from the Climate Change-related activities, most of the operating expense categories involve administrative expenses (such as motor pool, printing and mail, office supplies, etc.). The only non-administrative dollars are for the following items (which are recommended for funding at the same level as approved for FY22):

- \$287,087 for Conservation Corps Contract (General Fund portion)
- \$750,000 for Tree Planting related to the Tree Canopy Law
- \$125,598 for Professional Services – Office of Sustainability
- \$7,800 for gypsy moth survey

As noted in prior budget discussions, Council Staff believes DEP’s Approved General Fund budget provides for a “bare bones” operation, with broad areas of coverage in topics of major concern today, such as: water and sewer infrastructure, clean energy and energy conservation, and climate change and sustainability. The Recommended FY23 budget would substantially boost General Fund operating expenses and staffing related to climate change work.

Tree Montgomery Program

The Tree Montgomery Program is funded completely out of the Tree Canopy Conservation Account that was established under Bill 35-12, adopted by the Council in July 2013. That account collects fees in lieu of tree planting when development requires a sediment control permit under Chapter 19 of the County Code.

Since its inception in FY16, the dedicated revenue for this program has grown from \$250,000 per year to \$750,000 per year in FY22 and \$750,000 assumed for FY23. The number of trees planted has also steadily grown. DEP expects to plant over 3,000 trees during FY23.

NOTE: Other expenses to support tree planting activities under the Tree Canopy Law (e.g., County Arborist, outreach staff, outreach materials, etc.) are paid for by funding sources other than the Tree Canopy Conservation Account.

Climate Change

The Executive’s Recommended Budget includes substantial increases in the DEP General Fund budget for climate change-related activities. However, there are other ongoing and new Climate Change related activities funded in various departments outside of the DEP budget as well as within the Climate Change Planning Non-Departmental Account (NDA) (discussed below).

Also, new for FY23 is the Montgomery County Green Bank NDA (\$18.65 million). Per Bill 44-21 enacted in February 2022 the Green Bank is to receive 10 percent of estimated Energy Tax revenue annually to fund its operations and financial products.

Council Staff has asked DEP to provide an update on the County’s Climate Action planning to date and the Executive’s recommended items in the FY23 budget in DEP and elsewhere in the budget. DEP’s presentation slides are attached on ©12-18.

The new FY23 Climate Change-related items within the DEP budget are listed in the table below.

FY23 Climate Change-Related Budget Additions

Item	FY23		FY24
	Rec \$	Rec FTEs	Impact
Building Energy Performance Standards Support	1,013,674	4.0	1,117,298
New Appliance Electrification Incentive Program	1,000,000		1,000,000
Efficiency and Climate Resiliency Pilot Program for Low and Moderate Income Housing	675,000		675,000
Community Justice Academy and Fund	300,000		300,000
Consultant Support for Sustainability Zoning and Code Review and Recommendations	150,000		-
Broadscale Climate + Alert Montgomery Communication Campaign	150,000		150,000
High Road Economic Development Implementation	132,749	1.0	160,378
Incentives for Electrification of Lawn Care Equipment	100,000		100,000
Flooding GIS Specialist	86,080	1.0	115,034
Residential Energy Program Manager	76,578	1.0	101,752
Manager of County Flood Program	76,578	1.0	101,752
Position for Natural Climate Solutions	75,782	1.0	100,956
Agrivoltaic Technical Assistance	50,000		-
Project Equity Worker Coop Implementation	50,000		50,000
Decision Support Tool License	20,000		20,000
Totals	3,956,441	9.0	3,992,170

The FY24 impact is also shown. One-time items in FY23 show as zero impact in FY24. Continuing programs show the same level of base funding in FY24. However, new positions (which are lapsed several months for FY23 per OMB policy) would need to be annualized for FY24 and therefore show a higher overall cost in FY24. More details on each item were provided by DEP and are attached on ©19-20. Most of the items are specifically referenced in the Climate Action Plan as priority actions or support stated goals in the Climate Action Plan.

Climate Change Planning NDA

The FY23 Recommended Budget for the Climate Change Planning NDA is \$691,677. Three positions were approved as part of the FY22 budget and are fully annualized for the FY23 budget. This NDA also includes \$400,000 in operating expenses which in past years was used to fund the development of the Climate Action Plan and related studies. For FY23, DEP provided the following information on how these NDA operating expenditures will be used:

FY23 uses of the Climate Change NDA include support for equitable community outreach; continued implementation of Community Choice Energy; Building Energy Performance Standards support; urban heat mapping efforts; strategic planning for EV charging and clean energy development; climate communications and public engagement; paid climate fellows and interns; agrivoltaic project support; and consultant support for buildings codes and solar efforts within the DPS.

While Council Staff is supportive of the FY23 work to be done out of the NDA, given that the original planning intent of the NDA is completed (i.e. the Climate Action Plan was finalized in June 2021) Council Staff suggests that the Committee discuss whether the NDA should be closed out and the expenditures and FTEs moved to the DEP General Fund. The positions funded out of the NDA are already managed through DEP. Also, with the DEP General Fund budget slated to get substantial increases in staffing and operating expenses for climate change related activities, it is unclear what the distinction is between the activities funded out of the NDA versus those funded out of the DEP budget.

Affordability Options

Per the Council President's guidance regarding the Council's review of the FY23 Operating Budget, Council Staff were directed to review any programmatic or staffing additions/increases/enhancements to the County Executive's tax-supported budget and suggest reductions, conversion to one-time expenditures, or the delay in consideration of items until January 2023. The guidance also noted that if any additions are recommended by a committee which are above and beyond what is already in the Recommended Budget, those items are to be placed on the Council's Reconciliation List for consideration and action at the end of the budget process.

With these instructions in mind, Council Staff suggests that at its May 6 meeting, the Committee discuss with DEP the prioritization of the climate-related budget additions for funding in FY23 in case the Council needs to make FY23 budgetary reductions. Council Staff has provided some thoughts on prioritization below:

- Council Staff does not suggest consideration of any delays or reductions to the BEPS related positions and operating expenses (+\$1,013,674). The new positions and costs are in line with the fiscal impact statement developed for recently enacted Bill 16-21 and moving forward with BEPS is arguably the highest greenhouse gas reduction priority at this time.
- Council Staff also believes the County Flood Program Manager and the Flooding GIS Specialist (+\$162,658 total in FY23) should be a high priority as they are needed (in concert with the County Flood Study capital project also before the Council) to develop and implement a new comprehensive flood management strategy. Dealing with extreme precipitation events and the impact on our stormwater systems is one of the highest adaptation priorities in the Climate Action

Plan.

- Also high priorities are the efficiency and climate resiliency pilot program and the Community Justice Academy and Fund (both of which involve outreach and programmatic support to traditionally underrepresented populations (a key focus of the Climate Action Plan).
- As mentioned earlier, new positions are lapsed three months (assume a hiring date of October 1) per OMB policy. This lapse is intended to reflect the reality of the time it takes to create and fill a new position created after the budget is approved by the Council in late May.

The Council could consider assuming additional lapse (for instance assuming a January 1 hire date for new positions). This approach would save FY23 dollars but would have no impact on future years since the filled position costs would need to be annualized for FY24. The later hiring period would also delay work to be initiated by these new positions and may require DEP to arbitrarily slow its hiring process. **For these reasons, Council Staff does not support assuming additional lapse for these positions.**

- The new appliance/building systems and lawn care electrification incentive programs could be approved at reduced funding levels. **If these programs prove successful in their implementation during the first half of FY23, then additional funding could be considered for these programs mid-year. FY23 Cost Savings from deferring half the costs of both items = \$550,000**

Water Quality Protection Fund Budget

Table #3
DEP Expenditures and Positions/FTEs

Water Quality Protection Fund	Actual	Approved	CE Rec	Change FY23-FY22	
	FY21	FY22	FY23	\$\$\$	%
Personnel Costs	9,009,602	9,955,912	10,321,099	365,187	3.7%
Operating Expenses	18,978,045	19,524,779	20,649,836	1,125,057	5.8%
Capital Outlay	-	-	-	-	-
Total	27,987,647	29,480,691	30,970,935	1,490,244	5.1%
Full-Time Positions	46	48	60	12	25.0%
Part-Time Positions	0	1	1	-	n/a
FTEs	92.11	93.61	96.84	3.23	3.5%

Fiscal Summary and Plan

Expenditures in the WQPF are recommended to increase by \$1.5 million (or 5.1 percent). A crosswalk of all major expenditure changes is included in the Recommended budget (see ©8). New initiatives are described by DEP on ©21-22. Changes and staffing increases are described in more detail below. *NOTE: The 12-position increase shown in the above table includes a reallocation of existing positions from other DEP areas. The actual increase in new positions in the WQPF totals three plus the partial switch of a streetsweeping position from operating to personnel costs.*

The Water Quality Protection Fund Fiscal Plan is attached on ©11. This chart shows estimated costs, revenues, and fund balance from FY22 Estimate through FY28. Some key facts regarding the fund are noted below:

- The Fiscal Plan assumes steady increases in the ERU rate throughout the fiscal plan period. Last year's plan showed lower rate increases in the early years and no rate increases in FY25 through FY27.
- Bag tax revenue is assumed to remain steady at about \$2.5 million per year.
- Debt service projections are higher than last year's projections; not unexpected given increases in debt service funding for various capital projects.

NPDES-MS4 Permit

The county's current [National Pollution Discharge Elimination System Municipal Separate Storm Sewer System \(NPDES-MS4\) Permit](#) was issued in November 2021. As discussed during the Committee's review of the Stormwater Management CIP, this permit includes an impervious area restoration requirement (1,814 acres over five years with annual milestones). The permit also includes requirements for the inspection and maintenance of existing facilities and other efforts previously included in prior permits. There are also new requirements (some involving other County departments as noted below) including:

- New data reporting and geodatabase requirements
- New requirements for Illicit Discharge, Detection, and Elimination
- New restoration goal and TMDL implementation plan update
- New prevention of flooding requirements: inspection & maintenance of conveyance and public education
- Salt management plan –DOT, DGS, DEP
- Good housekeeping plans –DGS
- New monitoring requirements

Water Quality Protection Fund and Charge

DEP's MS4 work (both operating and capital) is budgeted within the County's WQPF. This self-supporting fund draws its revenue primarily from the Water Quality Protection Charge (WQPC) (an estimated \$43.4 million in FY23) as well as from the County's bag tax (an estimated \$2.5 million in FY23).

The fund and charge were created in 2001, when the Council approved Bill 28-00. In 2013, the Council enacted Bill 34-12 and approved Executive Regulations 17-12AM and 10-13. The bill and regulations included a number of changes to the charge, such as: broadening the charge to include all non-residential properties, establishing a 7-tier rate structure for residential properties, establishing credits for on-site stormwater management practices, and establishing a hardship exemption for residential properties and non-profit organizations.

In June 2016, the Council approved legislation (Expedited Bill 11-16) which made changes to Water Quality Protection Charge credits, as well as other changes.

Most recently, the Council approved Executive Regulation 18-21 this past April. This regulation included a definition of the term “treatment” for purposes of determining eligibility for Water Quality Protection Charge credits. During the discussion of this regulation, some Councilmembers expressed an interest in revisiting the Water Quality Protection Charge credit program in general. This item is noted as a potential after budget item for the Committee.

The Council is required to set the Equivalent Residential Unit (ERU) rate each year by resolution. A resolution was introduced on March 22 and a public hearing was held on April 19. The Executive recommends increasing the ERU rate from \$113.50 to \$119.50. The WQPF Fiscal Plan assumes additional increases in the ERU rate through FY28.

New Positions

Three new positions are requested for funding within the WQPF. These include:

- Planning Specialist for the Rainscapes Program (\$76,578) (see discussion below)
- Position for MS4-related Stream Inspections (\$76,578). Per DEP: *“The new MS4 permit requires all BMPs to be inspected every three years to identify and make repairs in order to maintain credit, which is not currently being done at this scale. A contractor will do the inspections and this position will manage what is identified -- repairs that are needed and how to fund them (PSP or CIP).”* Additional funding (\$162,000) for contractual support for the stream inspections is recommended for FY23 as well.
- Senior Engineer (for the Office of Agriculture) (\$62,989). Per DEP: *“The Soil Conservation District (SCD) needs an engineer to review and approve stormwater pond projects requiring a Natural Resources Conservation Pond, Conservation Practice Standard Practice Pond Code 378 review and approval. This is currently being done by the Maryland Department of Environment and is causing significant delays in some of DEP’s MS4 permit stormwater pond retrofits schedules.”*

Park and Planning Allocation (+\$244,441)

The M-NCPPC Planning and Parks Departments’ FY22 budgets include about \$4.1 million combined in water quality-related work supported by the WQPF. For FY23, M-NCPPC requested an additional \$244,441 (+6.0 percent), which the Executive included in his recommendation.

RainScapes Program (+\$126,578)

This popular program provides technical and financial assistance to help property owners install rainscape techniques on their properties. Rainscapes slow down, intercept, and/or soak up or store stormwater and include: conservation landscaping, green roofs, permeable pavers, pavement removal, rain gardens, rain barrels, and cisterns. The County earns about 3 to 4 acres of impervious acre credits each year towards its NPDES-MS4 permit’s restoration requirement. However, the major objective of this program is behavior change in landscape management.

With current resources (three planning specialists and about \$479,000 budgeted in operating expenditures plus surplus funds allocated from other areas of the budget, the program has been able to manage about 300 projects per year. Maximum rebates by project range from \$250 (for rain barrels) to as much as \$7,500 for residential properties and \$20,000 for non-residential properties for more expensive

projects (such as green roofs. However, there is a current backlog of requests of about 600 projects and the program is currently closed to new applications until July 1.

The FY23 Recommended Budget includes adding a fourth Planning Specialist position plus \$50,000 more in rebate dollars.

[Watershed Restoration Grant Program \(+\\$50,000\)](#)

This program funds public outreach and stewardship as well as community-based restoration projects. The County has contracted with the Chesapeake Bay Trust to develop the grants and serve as the administrator. The program is open to any 501(c)(3) nonprofit organization such as local watershed groups, community associations, service and civic groups, faith-based organizations, and others. Applicants must include at least one partner that represents a stakeholder group based in Montgomery County, Maryland. As with the RainScapes program, this program is oversubscribed. The FY23 Recommended Budget includes an additional \$50,000 in funding for these grants (for a total of \$550,000.

Maintenance of Glenmont Greenstreets (+\$150,000)

The Glenmont Forest greenstreets project is scheduled to be completed in June 2022 and includes thirty-two new stormwater management facilities (11 bioretention, twenty rain gardens and 10 Filterra tree boxes) which will require annual inspection and maintenance.

Council Staff Recommendations (Water Quality Protection Fund)

Council Staff recommends approval of the FY23 DEP Water Quality Protection Fund Operating Budget as recommended by the County Executive.

Council Staff also supports the County Executive's recommended Water Quality Protection Charge ERU rate for FY23



Environmental Protection

RECOMMENDED FY23 BUDGET

\$38,534,241

FULL TIME EQUIVALENTS

122.48

 ADRIANA HOCHBERG, ACTING DIRECTOR

MISSION STATEMENT

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

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Department of Environmental Protection is \$38,534,241, an increase of \$5,562,267 or 16.87 percent from the FY22 Approved Budget of \$32,971,974. Personnel Costs comprise 34.64 percent of the budget for 121 full-time position(s) and one part-time position(s), and a total of 122.48 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 65.36 percent of the FY23 budget.

The debt service for the Water Quality Protection Fund is appropriated in the Debt Service Fund and is, therefore, not displayed in this section. To pay for the debt service, a transfer of funds from the Water Quality Protection Fund to the Debt Service Fund of \$10,393,920 is required in FY23 for Water Quality Protection Bonds.



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

COUNTY PRIORITY OUTCOMES

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

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

INITIATIVES

-  Add two positions to address flooding Countywide, including a general flood program manager and a mapping specialist. In addition, amend the CIP to create a new Flood Control Study project to investigate sub-watershed-level flooding solutions.
-  Provide funding and positions to implement a Building Energy Performance Standards program to improve energy efficiency and reduce the greenhouse gas emissions from buildings, one of the largest emitters in the County. This is a cutting edge initiative on which Montgomery County is leading the way.

-
- ★ Add funding for climate justice efforts, engaging with minority and low-income communities to collaboratively solve locally-felt environmental problems. Funds are also added for the electrification and resiliency of low- and moderate-income housing.
 - ★ Initiate enhanced inspection and maintenance of stream restorations and best management practices (BMPs), required under the newly-issued MS4 Permit.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Enhanced coordination and cooperation between General Services and the Department of Environmental Protection (DEP) to allow for transfer of stormwater management facilities built by DGS to DEP for maintenance in a manner that reflects clear information on the condition of the assets. This allows for improved planning and budgeting to ensure these facilities are inspected and maintained.
- ★ Enhanced use of a social justice tool to guide placement of new stormwater management facilities and structures to address equity and ensure that water quality improvements are installed in an equitable manner.

PROGRAM CONTACTS

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

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

PROGRAM DESCRIPTIONS

★ Administration

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

The Office provides strategic direction and support on IT systems and infrastructure for departmental operations and programs, oversees the human resources and human capital programs for the department, and manages other supporting functions such as fleet vehicles. The Office provides for management of partnerships with multiple County departments with which the department cooperates, including Permitting Services, Transportation, and General Services, as well as external groups including faith-based institutions, the Maryland National Capital Park and Planning Commission, and the Washington Suburban Sanitary

Commission. The Office develops water and wastewater policies and updates the County's comprehensive water and sewer plan.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	1,313,828	6.85
Add: Support for Digital and Media Outreach Efforts	100,000	0.00
Enhance: Professional Career/Skill Development - WQPF	50,000	0.00
Shift: Reallocation of Positions Based on Actual Work Activities - General Fund	46,140	0.35
Enhance: Professional Career/Skill Development - General Fund	20,000	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	17,225	0.00
Shift: Reallocation of Positions Based on Actual Work Activities - WQPF	(56,664)	(0.45)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	167,861	2.95
FY23 Recommended	1,658,390	9.70

☀ Energy, Climate and Compliance

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

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Percent of commercial buildings in compliance with the building benchmarking law ¹	91%	87%	88%	88%	88%
Average days to close environmental cases	24	28	28	28	28
Percent of customers rating themselves as satisfied with DEP's response to environmental complaints	80%	81%	80%	80%	80%

¹ FY21 data as of Aug 2021, CY 2020 reports are still being received.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	1,222,304	8.00
Add: Building Energy Performance Standards Support	1,013,674	4.00
Add: Funding for New Appliance Electrification Incentive Program	1,000,000	0.00
Add: Efficiency & Climate Resiliency Pilot Program for Low- and Moderate-Income Housing	675,000	0.00
Add: Community Justice Academy and Fund	300,000	0.00
Add: Consultant Support for Sustainability Zoning and Code Review and Recommendations	150,000	0.00
Add: Broadscale Climate + Alert Montgomery Communication Campaign	150,000	0.00
Add: High Road Economic Development Implementation	132,749	1.00
Add: Incentives for Electrification of Lawn Care Equipment	100,000	0.00
Add: Flooding GIS Specialist	86,080	1.00

Environmental Protection

Environment 68-3
(3)

FY23 Recommended Changes	Expenditures	FTEs
Add: Residential Energy Program Manager	76,578	1.00
Add: Manager of County Flood Program	76,578	1.00
Add: Position for Natural Climate Solutions	75,782	1.00
Add: Project Equity Worker Coop Implementation	50,000	0.00
Add: Agrivoltaic Technical Assistance	50,000	0.00
Add: Decision Support Tool License	20,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(152,288)	(2.00)
FY23 Recommended	5,026,457	15.00

Watershed Restoration

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

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

Revenue for this program is generated by the Water Quality Protection Charge, applied to all residential and non-residential properties except for those owned by the State and County government and those in the cities of Gaithersburg, Rockville, and Takoma Park. Revenue from the carry out bag tax is also provided to support these programs.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Pounds of sediment reduced (thousands)	4,386	8,865	9,887	11,494	13,358
Percent of stormwater management triennial inspections completed ¹	100%	94%	90%	95%	100%
Percent of stormwater management facility maintenance work orders completed	91%	82%	89%	90%	100%
Amount of total phosphorus loads reduced or controlled (pounds / year) ²	9,446	12,101	13,089	14,078	15,066
Percent of the impervious acreage control goal met	100%	100%	100%	100%	100%

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Amount of total nitrogen loads reduced or controlled (pounds / year) ³	21,358	24,443	25,880	27,317	28,754
¹ Does not include triennial inspections of BMPs on Single Family Residential (SFR) properties, which are covered under a separate inspection program.					
² This measure has been modified to prepare to align with a new model based on guidance from the Maryland Department of the Environment to be consistent with other jurisdictions.					
³ This measure has been modified to prepare to align with a new model based on guidance from the Maryland Department of the Environment to be consistent with other jurisdictions.					

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	30,435,842	95.05
Increase Cost: Increase for M-NCPPC Programs	244,441	0.00
Add: Inspections and Maintenance of Facilities Transferred from General Services	233,000	0.00
Add: Inspections and Maintenance of Stream Restorations for New MS4 Permit Requirements	162,000	0.00
Add: Maintenance of Glenmont GreenStreet	150,000	0.00
Add: Position and Funding for RainScapes Program (Planning Specialist III)	126,578	1.00
Add: Position for MS4-related Stream Inspections	76,578	1.00
Add: Funding for Senior Engineer (Assigned to the Office of Agriculture)	62,989	1.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	58,696	0.00
Increase Cost: Watershed Grants	50,000	0.00
Add: Contract Costs for Information Technology Service System	26,000	0.00
Increase Cost: Council of Governments Dues	2,000	0.00
Add: Partial Shift of Street Sweeping Budget from Operating Costs to Personnel Costs	0	0.68
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	221,270	(0.95)
FY23 Recommended	31,849,394	97.78

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,431,719	1,737,926	1,748,803	2,395,047	37.8 %
Employee Benefits	396,474	465,752	464,010	630,306	35.3 %
County General Fund Personnel Costs	1,828,193	2,203,678	2,212,813	3,025,353	37.3 %
Operating Expenses	1,368,705	1,287,605	1,236,701	4,537,953	252.4 %
County General Fund Expenditures	3,196,898	3,491,283	3,449,514	7,563,306	116.6 %
PERSONNEL					
Full-Time	46	49	49	61	24.5 %
Part-Time	0	0	0	0	—
FTEs	16.29	16.29	16.29	25.64	57.4 %
REVENUES					
Other Charges/Fees	20,469	60,400	60,400	60,400	—
Other Fines/Forfeitures	15,350	15,000	15,000	15,000	—

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Other Licenses/Permits	14,700	20,000	20,000	20,000	—
Tree Canopy	594,000	750,000	750,000	750,000	—
County General Fund Revenues	644,519	845,400	845,400	845,400	—

WATER QUALITY PROTECTION FUND

EXPENDITURES

Salaries and Wages	7,059,075	7,649,003	7,640,884	7,816,284	2.2 %
Employee Benefits	1,950,527	2,306,909	2,206,909	2,504,815	8.6 %
Water Quality Protection Fund Personnel Costs	9,009,602	9,955,912	9,847,793	10,321,099	3.7 %
Operating Expenses	18,978,045	19,524,779	19,524,069	20,649,836	5.8 %
Water Quality Protection Fund Expenditures	27,987,647	29,480,691	29,371,862	30,970,935	5.1 %

PERSONNEL

Full-Time	46	48	48	60	25.0 %
Part-Time	1	1	1	1	—
FTEs	92.11	93.61	93.61	96.84	3.5 %

REVENUES

Bag Tax	2,754,404	2,500,000	2,500,000	2,500,000	—
Investment Income	51,440	300,000	300,000	500,000	66.7 %
Other Charges/Fees	360,652	47,500	162,979	47,500	—
Water Quality Protection Charge	39,974,205	41,137,400	41,137,400	43,414,720	5.5 %
Water Quality Protection Fund Revenues	43,140,701	43,984,900	44,100,379	46,462,220	5.6 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	11,613	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	11,613	0	0	0	—
Operating Expenses	368,119	0	0	0	—
Grant Fund - MCG Expenditures	379,732	0	0	0	—

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

REVENUES

Federal Grants	38,551	0	0	0	—
Grant Fund - MCG Revenues	38,551	0	0	0	—

DEPARTMENT TOTALS

Total Expenditures	31,564,277	32,971,974	32,821,376	38,534,241	16.9 %
---------------------------	-------------------	-------------------	-------------------	-------------------	---------------

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Total Full-Time Positions	92	97	97	121	24.7 %
Total Part-Time Positions	1	1	1	1	—
Total FTEs	108.40	109.90	109.90	122.48	11.4 %
Total Revenues	43,823,771	44,830,300	44,945,779	47,307,620	5.5 %

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY22 ORIGINAL APPROPRIATION	3,491,283 16.29
<u>Changes (with service impacts)</u>		
Add: Building Energy Performance Standards Support [Energy, Climate and Compliance]	1,013,674	4.00
Add: Funding for New Appliance Electrification Incentive Program [Energy, Climate and Compliance]	1,000,000	0.00
Add: Efficiency & Climate Resiliency Pilot Program for Low- and Moderate-Income Housing [Energy, Climate and Compliance]	675,000	0.00
Add: Community Justice Academy and Fund [Energy, Climate and Compliance]	300,000	0.00
Add: Consultant Support for Sustainability Zoning and Code Review and Recommendations [Energy, Climate and Compliance]	150,000	0.00
Add: Broadscale Climate + Alert Montgomery Communication Campaign [Energy, Climate and Compliance]	150,000	0.00
Add: High Road Economic Development Implementation [Energy, Climate and Compliance]	132,749	1.00
Add: Incentives for Electrification of Lawn Care Equipment [Energy, Climate and Compliance]	100,000	0.00
Add: Flooding GIS Specialist [Energy, Climate and Compliance]	86,080	1.00
Add: Residential Energy Program Manager [Energy, Climate and Compliance]	76,578	1.00
Add: Manager of County Flood Program [Energy, Climate and Compliance]	76,578	1.00
Add: Position for Natural Climate Solutions [Energy, Climate and Compliance]	75,782	1.00
Add: Agrivoltaic Technical Assistance [Energy, Climate and Compliance]	50,000	0.00
Add: Project Equity Worker Coop Implementation [Energy, Climate and Compliance]	50,000	0.00
Add: Decision Support Tool License [Energy, Climate and Compliance]	20,000	0.00
Enhance: Professional Career/Skill Development - General Fund [Administration]	20,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Shift: Reallocation of Positions Based on Actual Work Activities - General Fund [Administration]	46,140	0.35
Increase Cost: Annualization of FY22 Compensation Increases	41,050	0.00
Increase Cost: FY23 Compensation Adjustment	26,349	0.00
Increase Cost: Annualization of FY22 Personnel Costs	21,942	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts [Administration]	17,225	0.00
Increase Cost: Printing and Mail Adjustment	2,803	0.00
Decrease Cost: Retirement Adjustment	(25,247)	0.00
Decrease Cost: Motor Pool Adjustment	(34,680)	0.00

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
FY23 RECOMMENDED	7,563,306	25.64

WATER QUALITY PROTECTION FUND

FY22 ORIGINAL APPROPRIATION	29,480,691	93.61
------------------------------------	-------------------	--------------

Changes (with service impacts)

Add: Inspections and Maintenance of Facilities Transferred from General Services [Watershed Restoration]	233,000	0.00
Add: Inspections and Maintenance of Stream Restorations for New MS4 Permit Requirements [Watershed Restoration]	162,000	0.00
Add: Maintenance of Glenmont GreenStreet [Watershed Restoration]	150,000	0.00
Add: Position and Funding for RainScapes Program (Planning Specialist III) [Watershed Restoration]	126,578	1.00
Add: Support for Digital and Media Outreach Efforts [Administration]	100,000	0.00
Add: Position for MS4-related Stream Inspections [Watershed Restoration]	76,578	1.00
Add: Funding for Senior Engineer (Assigned to the Office of Agriculture) [Watershed Restoration]	62,989	1.00
Enhance: Professional Career/Skill Development - WQPF [Administration]	50,000	0.00
Add: Contract Costs for Information Technology Service System [Watershed Restoration]	26,000	0.00
Add: Partial Shift of Street Sweeping Budget from Operating Costs to Personnel Costs [Watershed Restoration]	0	0.68

Other Adjustments (with no service impacts)

Increase Cost: Increase for M-NCPPC Programs [Watershed Restoration]	244,441	0.00
Increase Cost: Annualization of FY22 Compensation Increases	130,012	0.00
Increase Cost: FY23 Compensation Adjustment	87,291	0.00
Increase Cost: Motor Pool Adjustment	63,005	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts [Watershed Restoration]	58,696	0.00
Increase Cost: Watershed Grants [Watershed Restoration]	50,000	0.00
Increase Cost: Annualization of FY22 Lapsed Positions	30,434	0.00
Increase Cost: Printing and Mail Adjustment	2,140	0.00
Increase Cost: Council of Governments Dues [Watershed Restoration]	2,000	0.00
Decrease Cost: Retirement Adjustment	(38,973)	0.00
Shift: Reallocation of Positions Based on Actual Work Activities - WQPF [Administration]	(56,664)	(0.45)
Decrease Cost: Annualization of FY22 Personnel Costs	(69,283)	0.00

FY23 RECOMMENDED	30,970,935	96.84
-------------------------	-------------------	--------------

GRANT FUND - MCG

FY22 ORIGINAL APPROPRIATION	0	0.00
------------------------------------	----------	-------------

FY23 RECOMMENDED	0	0.00
-------------------------	----------	-------------

PROGRAM SUMMARY

Program Name	FY22 APPR Expenditures	FY22 APPR FTEs	FY23 REC Expenditures	FY23 REC FTEs
Administration	1,313,828	6.85	1,658,390	9.70
Energy, Climate and Compliance	1,222,304	8.00	5,026,457	15.00
Watershed Restoration	30,435,842	95.05	31,849,394	97.78
Total	32,971,974	109.90	38,534,241	122.48

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY22 Total\$	FY22 FTEs	FY23 Total\$	FY23 FTEs
COUNTY GENERAL FUND					
NDA - Climate Change Planning	General Fund	250,200	3.00	283,021	3.00
WATER QUALITY PROTECTION FUND					
CIP	Capital Fund	2,394,741	17.85	2,489,857	18.40
Total		2,644,941	20.85	2,772,878	21.40

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
COUNTY GENERAL FUND						
EXPENDITURES						
FY23 Recommended	7,563	7,563	7,563	7,563	7,563	7,563
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY23	0	236	236	236	236	236
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY23	0	(200)	(200)	(200)	(200)	(200)
Items recommended for one-time funding in FY23, including funding for agrivoltaic technical assistance and a climate-related zoning and code review, will be eliminated from the base in the outyears.						
Labor Contracts	0	95	95	95	95	95
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	7,563	7,693	7,693	7,693	7,693	7,693
WATER QUALITY PROTECTION FUND						
EXPENDITURES						
FY23 Recommended	30,971	30,971	30,971	30,971	30,971	30,971
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY23	0	70	70	70	70	70

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Labor Contracts	0	270	270	270	270	270
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	30,971	31,311	31,311	31,311	31,311	31,311

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY23 Recommended		FY24 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Position for MS4-related Stream Inspections	76,578	1.00	101,752	1.00
Planning Specialist III for Rainscapes Program	76,578	1.00	101,752	1.00
High Road Economic Development Implementation	82,749	1.00	110,378	1.00
Building Energy Performance Standards Stakeholder Engagement/Outreach Program Manager	76,578	1.00	101,752	1.00
Building Energy Performance Standards Compliance Engineer	89,543	1.00	119,874	1.00
Building Energy Performance Standards Admin/Hotline Program Specialist	70,975	1.00	93,920	1.00
Flooding GIS Specialist	86,080	1.00	115,034	1.00
Residential Energy Program Manager	76,578	1.00	101,752	1.00
Manager of County Flood Program	76,578	1.00	101,752	1.00
Building Energy Performance Standards Multifamily/Affordable Housing Manager	76,578	1.00	101,752	1.00
Position for Natural Climate Solutions	75,782	1.00	100,956	1.00
Funding for Senior Engineer (Assigned to the Office of Agriculture)	62,989	1.00	82,737	1.00
Total	927,586	12.00	1,233,411	12.00

FY22-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN

FISCAL PROJECTIONS	FY22 Estimate	FY23 CE Rec	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.37%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Investment Income Yield	0.20%	1.15%	1.45%	1.45%	1.45%	1.45%	1.45%
Number of Equivalent Residential Units (ERUs) Billed	367,400	368,000	368,000	368,000	368,000	368,000	368,000
Water Quality Protection Charge (\$/ERU)	\$113.50	\$119.50	\$123.00	\$129.50	\$141.00	\$147.00	\$148.00
Target Debt Service Coverage Ratio	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%
BEGINNING FUND BALANCE	16,763,728	6,319,238	6,384,683	6,237,039	6,581,554	7,578,360	8,967,275
REVENUES							
Charges For Services	41,137,400	43,414,720	44,696,280	47,076,320	51,287,160	53,484,120	53,796,680
Bag Tax Receipts	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Miscellaneous	462,979	547,500	547,500	547,500	547,500	547,500	547,500
Subtotal Revenues	44,100,379	46,462,220	47,743,780	50,123,820	54,334,660	56,531,620	56,844,180
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To General Fund	(1,876,810)	(1,893,920)	(1,893,920)	(1,893,920)	(1,893,920)	(1,893,920)	(1,881,770)
Transfers to Debt Service Fund (Non-Tax)	(9,435,720)	(10,393,920)	(11,239,190)	(13,247,070)	(16,608,620)	(18,412,470)	(18,559,495)
TOTAL RESOURCES	49,551,576	40,493,618	40,995,353	41,219,869	42,413,674	43,803,590	45,370,190
CIP CURRENT REVENUE APPROPRIATION							
PSP OPER. BUDGET APPROP/ EXP'S.	(4,917,000)	(3,138,000)	(3,447,000)	(3,327,000)	(3,524,000)	(3,525,000)	(3,708,000)
Operating Budget	(29,371,862)	(30,970,935)	(30,970,935)	(30,970,935)	(30,970,935)	(30,970,935)	(30,904,710)
Annualizations and One-Time (PC)	0	0	(70,096)	(70,096)	(70,096)	(70,096)	(70,096)
Labor Contracts	0	0	(282,164)	(282,164)	(282,164)	(282,164)	(282,164)
Labor Contracts Other	0	0	11,881	11,881	11,881	11,881	11,881
Subtotal PSP Oper Budget Approp / Exp's	(29,371,862)	(30,970,935)	(31,311,315)	(31,311,315)	(31,311,315)	(31,311,315)	(31,245,090)
OTHER CLAIMS ON FUND BALANCE	(8,943,476)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(43,232,338)	(34,108,935)	(34,758,315)	(34,638,315)	(34,835,315)	(34,836,315)	(34,953,090)
YEAR END FUND BALANCE	6,319,238	6,384,683	6,237,039	6,581,554	7,578,360	8,967,275	10,417,101
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	12.8%	15.8%	15.2%	16.0%	17.9%	20.5%	23.0%
NET REVENUE	12,851,707	13,597,365	14,538,546	16,918,586	21,129,426	23,326,386	23,717,321
DEBT SERVICE COVERAGE RATIO	1.36	1.31	1.29	1.28	1.27	1.27	1.28

Assumptions:

1. These projections are based on the County Executive's Recommended operating budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY23 and FY28 have been incorporated in the future fiscal impact (FFI) rows.
4. The operating budget includes planning and implementation costs for compliance with the new Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in 2021. Debt service on bonds and loans that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. The Department of Finance issued \$37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A) and \$46.5 million dated April 6, 2016 (Series 2016A). In December 2019, the County closed on \$50.7 million in Water Quality State Revolving Fund (WQSRF) Loans from the MD Department of the Environment (MDE). The actual debt service costs for the Series 2012A and 2016A bond issuances and the anticipated MDE Water Quality Revolving Loan debt service in years FY23-28 are included in the fiscal plan, as well as anticipated debt payments for loans issued to the Maryland-National Capital Park and Planning Commission issued in FY24. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.
6. The Water Quality Protection fund balance minimum policy target is 5% of resources.



**MONTGOMERY COUNTY
CLIMATE ACTION PLAN**

Building a Healthy, Equitable, Resilient Community

JUNE 2021



**MONTGOMERY
COUNTY**

**ZERO
EMISSIONS
BY 2035**



Climate Action in Montgomery County

MAY 2022 – TRANSPORTATION & ENVIRONMENT COMMITTEE BRIEFING

Climate Action Plan Implementation is Underway

- First year progress on 75 out of 86 climate actions in the Plan
- Quarterly public progress reports: montgomerycountymd.gov/climate
- Sectors addressed in the CAP:
 - Clean Energy
 - Buildings
 - Transportation
 - Carbon Sequestration
 - Climate Adaptation
 - Governance
 - Public Engagement & Education

Centering Racial Equity & Social Justice in Climate Action:

FY22 Highlights:

- **High Road Economic Inclusion Framework**—integrates climate, equity, and economic development
- Development of a **Community Justice Academy** underway
- **Coordination with community partners** focused on racial equity and social justice

FY23 Recommended Budget includes new funding:

- \$200k to DEP for the **Community Justice Academy**
- \$100K to DEP to launch a **Community Justice Fund**
- New DEP position to begin implementing recommendations in the **High Road Economic Inclusion Framework**
- Recommended budgets for GHG emissions reductions and adaptation/resilience actions also include a focus on racial equity and social justice

Buildings and Clean Energy: GHG Emissions Reduction Actions Underway

FY22 Highlights

- **Community Choice Energy** regulatory framework under development
- **Green Bank projects** underway; authorization of additional \$ from fuel energy tax for the Green Bank
- **C-PACE** financing program expanded
- Rocky Mountain Institute **Electrify cohort** underway
- Country's largest **community solar** for LMI under construction

FY23 Recommended Budget includes new funding to:

- **Support clean energy efforts:** \$18.6M to Green Bank for clean energy and energy efficiency projects; \$50k to DEP for agrivoltaic technical assistance; 2 positions in OAG for agrivoltaic farming & other CAP-related activities
- **Implement BEPS:** \$700K to DEP for program implementation and 4 new BEPS positions for recently passed legislation
- **Support GHG reduction and adaptation measures in low income housing:** \$675K to DEP to launch an Efficiency and Climate Resilience Pilot Program
- **Reduce GHG in new buildings:** 2 positions at DPS to develop energy and green building codes, support solar, onsite energy storage, EV charger
- **Reduce GHG in existing buildings:** \$1M to DEP to launch an Electrification Incentive Program in existing buildings; new position at DEP for residential energy policy

Transportation: GHG Emissions Reduction Actions Underway

FY22 Highlights

- **Microgrid and electric bus charging depot** construction underway
- County **fleet transition** to zero emission vehicles underway
- **Electric Vehicle Purchasing Coop Pilot** launched
- **BRT** design and planning underway
- **Sidewalk and bike lane** projects under construction
- **Micromobility** expanded to new areas of County

FY23 Recommended Budget includes new funding to:

- **Reduce GHG in transportation:**
 - Funding for Capital Bikeshare,
 - Micromobility,
 - Transportation Demand Management,
 - Part-time bus operators,
 - TravelSmart Ambassador Program,
 - New position to support Ride On service expansions

Resilience and Adaptation Actions Underway

FY22 Highlights

- **Flood sensor** grant award from US DHS
- US Department of Defense **resilience grant** of the Walter Reed facility underway
- FEMA **floodplain mapping** updates underway
- Inter-departmental Flooding task force and launch of **comprehensive flood management planning**
- MCDOT administering a **tree-planting grant** from the Chesapeake Bay Trust
- Expansion of the **Tree Montgomery** Program

FY23 Recommended Budget includes new funding to:

- **Address flooding issues:** \$1.3 million Flood Control Study capital project; Flood Program Manager and Flood GIS Specialist positions at DEP
- **Enhance climate adaptation and preparedness:** Funding for a Climate Adaptation Program Manager at OEMHS to work on resilience hubs, provide preparedness education and outreach with vulnerable communities
- **Accelerate nature-based carbon sequestration:** \$810k to MCDOT's Urban Forest program to improve urban forest health; new DEP position to work on Natural Climate Solutions; \$20k to DEP for a carbon management tool

Climate Governance and Public Engagement Actions Underway

FY22 Highlights

- Maryland Coalition of Cities and Counties for Climate Action launched; new DEP State Climate & Energy Policy Manager to facilitate
- Climate Leadership team expanded
- Climate Ambassadors identified across County departments and climate trainings held
- Climate Change Communications Coalition launched
- On-going meetings & presentations with community groups
- Quarterly public progress reports: montgomerycountymd.gov/climate

FY23 Recommended Budget includes new funding to:

- **Enhance the County's climate governance capacity:** new position at CEX focused on climate funding and performance management
- \$150k to DEP to launch a **Broadscale Climate + Alert Montgomery communications** campaign

New Items in the FY23 Recommended DEP General Fund Budget

Budget Item	Related CAP Action	Amount	Purpose
Building Energy Performance Standards Support	B-3	1,013,674	Adds four positions (Multi-Family/Affordable Housing Manager, Technical Compliance Engineer, Stakeholder Engagement/Outreach Manager, Administrative/Helpline Program) and \$700,000 in operating funds for development of systems and resources to support BEPS implementation.
Funding for New Appliance Electrification Incentive Program	B-4	1,000,000	Provides direct funding for a pilot program to incentivize electrification in existing residential homes, multifamily, and commercial buildings. Eligible projects include replacing a fossil-fuel-based equipment and appliances with ENERGY-STAR-certified electric or non-fossil-fuel based alternatives (e.g., ENERGY STAR Certified high efficiency heating and cooling (HVAC), heat pump water heaters, electric dryers, induction and electric cooktops, electric convection ovens).
Efficiency & Climate Resiliency Pilot Program for Low- and Moderate-Income Housing	B-4	675,000	Provides direct funding for a pilot program to be administered by DHCA (or an authorized community-based organization) to support energy efficiency and climate resiliency projects for low-and-moderate income Montgomery County residents. LMI households are at or below 80% of the area median income (AMI). Eligible projects include improvements to the building envelope that increases energy efficiency such as insulation, air sealing, and replacement of inefficient windows; roof replacement/repair; re-wire electrical systems (“heavy up”) to enable EV charging/solar panels/battery storage; adding energy-efficient air conditioning systems; flood insurance assistance; radon mitigation; dehumidifiers; and funding to overcome limitations/barriers to existing grant programs.
Community Justice Academy and Fund	P-5	300,000	Adds funding for 1) payments to Community Based Organizations and resident stakeholders helping to build the Academy, which is being designed to address climate resilience, 2) community engagement consultant support, 3) stipends for Community Justice Ambassadors and 4) Community Justice Fund to support community projects co-created by the Ambassadors and the County.
Consultant Support for Sustainability Zoning and Code Review and Recommendations		150,000	Consultant support to facilitate review of the Climate Action Plan, Thrive 2050, and provide recommendations on how those plan objectives should be incorporated into the County’s Zoning Ordinance (Chapter 59) and the Code of Montgomery County Regulations related to building construction code (Chapter 8). This consultant would review each plan and recommend modifications to these sections of the County Code in coordination with staff to codify the County’s climate and sustainability goals.

Budget Item	Related CAP Action	Amount	Purpose
Broadscale Climate & Alert Montgomery Communication Campaign	P-1	150,000	Funds for public outreach and engagement campaign to help residents reduce their emissions and adapt to climate hazards. Strategic priorities will be established by the Climate Planning Team, the newly formed "Climate Change Communications Coalition" (C4) and community stakeholders.
High Road Economic Development Implementation		132,749	Adds one position to help align CAP economic development opportunities with workforce development, small business support and procurement; operating funds to convene inter-agency collaboration and visioning workshops for the design of strategic next steps.
Incentives for Electrification of Lawn Care Equipment		100,000	Adds incentives to encourage adoption of electric lawn equipment.
Flooding GIS Specialist	A-2	86,080	Adds GIS Specialist to support flooding investigation activities.
Residential Energy Policy Program Manager	B-2, B-4	76,578	Adds one position to design and implement policies that improve energy efficiency in residential buildings through incentive programs, point-of-sale home labeling programs, residential building performance standards, voluntary neighborhood energy challenges, and similar programs. This position will primarily focus on policy design, data management, and metrics.
Program Manager, County Flood Program	A-2	76,578	Adds one position to help manage the County Flood Program.
Position for Natural Climate Solutions	S-1, S-2, S-3, S-4, S-5	75,782	Adds one position to coordinate and advance implementation of Natural Climate Solutions across departments and agencies, including forest/tree programs and other natural environmental solutions.
Agrivoltaic Technical Assistance	E-3, S-4	50,000	Operating funds to support research on the viability of growing table crops beneath ground-mounted solar arrays, as well as pay for research equipment such as sensors and probes to measure air temperature, soil moisture, etc.
Project Equity Worker Coop Implementation		50,000	Operating funds to supplement Impact Silver Spring's existing work to accelerate the creation of worker-owned green businesses.
Decision Support Tool License	S-1, S-2, S-3	20,000	Operating funds to measure cross-departmental/agency climate strategy outcomes and quantify co-benefits of Nature Based Solutions.

New Initiatives in the FY23 Recommended DEP WQPF Budget

Add: Inspections and Maintenance of Facilities Transferred from General Services (\$233,000)

Justification: Funding for the inspection and maintenance of stormwater management facilities transferred from DGS and DOT and added to DEP inventory when they end the warranty period and the DPS permit expires. There were 211 facilities were transferred in FY21-22.

Add: Inspections and Maintenance of Stream Restoration for the New MS4 Permit Requirements (162,000)

Justification: The new MS4 permit requires the inspection and maintenance of stream restoration projects every five years, identifying and completing routine repairs. DEP expects to inspect and maintain 9-11 projects per-year through a contractor.

Add: Maintenance of Glenmont Greenstreets (\$150,000)

Justification: OBIs for CIP the Glenmont Forest greenstreets projects to be completed in June 2022 and this project will include thirty-two new stormwater management facilities (11 bioretention, twenty rain gardens and 10 Filterra tree boxes) which will require annual inspection and maintenance.

Add: Position and Funding for RainScapes Program (\$126,578 including one FTE)

Justification: This popular program is currently processing over six hundred applications with three staff working full-time. The program application portal was closed last year for 6 months in an effort try to manage the demand based on our current staff capacity. Additional rebate funding and this position will allow us to better manage program demand and reduce response times. The \$50,000 in additional rebate funding will allow us to fund an additional 12-15 new projects per year.

Add: Support for Digital and Media Outreach Efforts (\$100,000)

Justification: These funds are to provide support to the DEP communications and outreach efforts that have been moving more towards social media and use of digital outreach. There is a large audience that we want to ensure is aware of the programs we offer that is best communicated with through social media. Contractual support to help us determine the most appropriate platforms to use to reach many audiences, analyze the outreach results and enhance our approach will help DEP be more effective in our outreach.

Add: Position for MS4 -related Stream Inspections (\$76,578)

Justification: New Permit requires all BMPs be inspected every three years to identify and make repairs in order to maintain credit, which is not currently being done at this scale. A contractor will do the inspections and this position will manage what is identified -- repairs that are needed and how to fund them (PSP or CIP).

**Add: Funding for Senior Engineer (Assigned to the Department of Agriculture)
(\$62,989)**

Justification: SCD needs an engineer to review and approve stormwater pond projects requiring a Natural Resources Conservation Pond, Conservation Practice Standard Practice Pond Code 378 review and approval. This is currently being done by the Maryland Department of Environment and is causing significant delays in some of DEP's MS4 permit stormwater pond retrofits schedules.

April 25, 2022

To: Montgomery County Council President Gabe Albornoz
100 Maryland Ave
Rockville, MD 20850

Comments of the Montgomery County Advisory Committee on Climate, Energy, and Air Quality regarding approval of an operating budget for fiscal year 2023 [“FY23”] that is consistent with the County’s climate commitments.

As the Montgomery County’s Climate, Energy, Air Quality, and Advisory Committee [“the Committee”], an advisory committee to the Montgomery County, MD County Executive and County Council, we offer our recommendations below for the FY23 operating budget.

We are here to offer you recommendations and guidance based on our expertise. In that capacity, we urge you to support all of the climate-related items in the current budget proposal in order to ensure that the FY23 operating budget is fully commensurate with our County’s climate priorities.

As you know, the Montgomery County Council unanimously passed Resolution No. 18-974 in December 2017, “to use all available powers and resources to ... restore a safe climate and build a sustainable economy.” The Resolution recognized that the County “needs to do much more, much faster.” With the release of the County’s final Climate Action Plan last year, Montgomery County must allocate substantial dedicated funding in the FY23 budget to achieve its climate goals.

As we established in our previous letter (attached) to the County Executive in January of this year, we recommended that the FY23 budget provide sufficient staffing and operational funds:

⇒To quickly launch and implement the Building Energy Performance Standards program, with resources for an Affordable Housing Retrofit Accelerator (as in DC); to train for and implement the latest requirements of the IgCC 2018 for new commercial buildings; and to develop policies for new energy conservation codes;

⇒To allocate sufficient funds to the Department of General Services to implement the County’s sustainability goals in its facilities and operations;

⇒ To retain and increase forest and tree canopy and expand green infrastructure and housing development in the County to help further key sequestration and adaptation goals of the CAP;

⇒ To ensure climate efforts are equitably implemented and that the public has the knowledge and means to be actively engaged in reaching our climate goals.

Having reviewed the proposed operating budget components related to climate that was submitted to County Council, the Committee approves of and supports the proposed budget. We strongly urge the County Council to pass the proposed budget, especially all funding earmarked for additional staff for the Departments of Environmental Protection and Permitting Services. The Committee also supports the funds reserved to implement the Building Energy Performance Standard program, and those augmenting staff and programs addressing adaptation and resilience challenges in the County.

Although we did not address waste in our previous letter, we also wish to explicitly acknowledge the link between waste minimization and the County's climate goals and accompanying annual climate change workplan. The Committee supports the budget recommendations of the Solid Waste Advisory Committee that have been submitted to the County Council, particularly related to reducing greenhouse gas emissions that would come with the consolidation of garbage pickup in the County; electrification of the waste management fleet; and minimizing the generation of waste while expanding the recycling and reuse of waste

The Committee identified only one area in which the proposed budget may fall short, and that is regarding public communication and education. The Committee supports the funds dedicated to the Climate Justice Academy. We encourage better communication with the public about the benefits of reducing waste. We strongly recommend additional funding for staff and programs that will enhance the County's communication and education efforts to County residents about the Climate Action Plan, including establishing a senior position in the Public Information Office to oversee and coordinate communication efforts across all departments.

We stress the importance of taking bold action to address climate change in the County, with particular emphasis on bringing on the staff and implementing the programs necessary to achieve meaningful action. The proposed operating budget achieves many of these goals and the Committee strongly urges the County Council to maintain all proposed funds earmarked for climate change initiatives.



May 2, 2022

Written Testimony for Montgomery County's Fiscal Year 2023 Operating Budget

Submitted by: Eliza Cava, Co-Chair, Stormwater Partners Network of Montgomery County (SWPN) and Director of Conservation, Audubon Naturalist Society

Dear Montgomery County Council,

We, the undersigned Stormwater Partners Network of Montgomery County (SWPN),¹ provide the following feedback and recommendations to Montgomery County's FY23 Operating Budget. As a Network, our mission is to advocate for clean water, protecting, improving, and restoring our watersheds in ways that are equitable and ecologically sensitive, improving community resilience to stormwater impacts such as storm-driven flooding, and connecting communities to their backyard waterways. Our vision is that Montgomery County's waterways are clean, pollution-free, and resilient to the climate crisis, providing healthy, equitable, safe, and thriving green spaces for communities, families, and wildlife.

The Network has historically worked towards implementing stronger regulatory measures to strengthen our stormwater management and infrastructure, increase infiltration of water on site instead and decrease stormwater runoff into our precious local waterways. We also support the work and needs of Montgomery Parks, particularly resource stewardship, and the work of the County to meet climate and equity goals. We ask the Council to consider and carefully review our budget requests as presented in our testimony, and to go further and actively seek the funds needed to implement and continue to protect our natural resources.

I. CLEAN WATER AND STORMWATER

Montgomery County has done great work meeting regulatory requirements for stormwater, but these requirements are not enough to protect our streams and watersheds. While some watersheds' health has been improving, many are still declining. What streams need is getting more complicated, too: in the summer, climate change drives more explosive storms that overwhelm the kinds of projects installed to date; and in the winter, more and more salting ahead of unpredictable snowstorms leads to toxic salinity conditions in streams.

DEP, its staff, and its contractors have demonstrated that they are capable of doing more than the next draft permit requires. SWPN and our member groups have been strongly pressing the state

¹ The Stormwater Partners Network is composed of organizations and individuals who support our mission and vision. A full list of our current membership can be found on our website, www.stormwaterpartnersmoco.net.

STORMWATER PARTNERS NETWORK OF MONTGOMERY COUNTY



to require more ambitious stormwater management, especially using green infrastructure throughout our watersheds and out of stream valleys. Council should direct the Department to go above and beyond the minimum permit requirements, even if the state does not require a greater amount of work (which they should). The state's requirements for the current MS4 permit were basically set by assessing the County's level of budgetary commitment/capacity for stormwater management work, so if the Council demonstrates the appetite to do more than the bare minimum, the state should enact a more ambitious permit in the next cycle.

Overall, the CE's recommended FY23 budget for Watershed Restoration Program (\$31.8M which adds 3 new positions²) is a good start but won't be enough to support all of DEP's programs. The following additional funds should be allocated:

- **RainScapes Program:** Although the increase in Water Quality Protection of \$1.3M^{3,4} due to the federal Omnibus earmarks will help the RainScapes program, including by adding one new staff position, this is not enough or sustainable funds for the long-term success of this wildly popular program. Council needs a long-term plan to fully fund RainScapes, and the grants program needs to still be more accessible to BIPOC communities.⁵ RainScapes should receive increased funds for more staff to provide technical assistance and manage the applications, as well as for rebates (and ideally, for upfront payments, not just rebates, for lower-income homeowners and renters) above and beyond the federal earmarks.
- **Organic lawn and pesticides outreach:** Council should include and fund a line item to fund the organic lawn and pesticides program as it currently does not have one for FY23. The County's groundbreaking pesticide law needs dedicated attention and staffing to ensure its success in protecting our waterways and public health.⁶
- **Trash traps:** We ask Council to support and ease permit requirements for more trash trap installations around the county, especially around the Anacostia watershed to meet the trash TMDL goals in underserved communities. Plus, these could be paired up with job training funds for youth.
- **Tree Montgomery:** This important program needs an additional staff position to continue and grow its success.

We support the increase of \$50,000 for the watershed restoration grants program, and increases for street sweeping, pet waste, and Tree Montgomery (although the additional staff position is still needed).

² Montgomery County Operating Budget FY23 - Environmental Protection - Watershed Restoration. Available at: <https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Department.aspx?ID=80D>

³ County Executive's April 7, 2022. Climate Budget Briefing. Available at: <https://youtu.be/x2x49zzZCEg>

⁴ County Executive's April 7, 2022. Climate Budget Briefing. Available at: <https://youtu.be/x2x49zzZCEg>

⁵ County Executive's April 7, 2022. Climate Budget Briefing. AND DEP Stormwater Partners briefing on March 30, 2022. Available at: <https://youtu.be/x2x49zzZCEg>

⁶ DEP Stormwater Partners briefing on March 30, 2022.

STORMWATER PARTNERS NETWORK OF MONTGOMERY COUNTY



Changes to the CIP Budget Since January

SWPN supports the changes that DEP has made to their CIP budget since original submission in January. These include adding one full-time employee (CIP Engineer III) under Stormwater Management Retrofit Countywide, and adding a Flood Control Study at \$1.3M. We strongly support the flood control study and encourage the Council to act aggressively on the issue of flooding, as it will only be getting worse into the future. The addition of the CIP Engineer III to work on issues of Stormwater Management Retrofits will help the DEP increase capacity to ensure that stormwater projects are well-designed and well-managed, whether they are managed in-house or through an external contract. We have always supported the DEP in hiring and retaining highly skilled technical staff to ensure as successful as possible an outcome on these important projects.

Raise the Water Quality Protection Charge (WQPC)

Stormwater Partners Network believes that the Water Quality Protection Charge (WQPC) needs to begin rising more than the cost of baseline program delivery and keep pace with inflation, but to increase our ambition as a county to truly return our watersheds to health. The FY23 recommended rate of \$119.50/Equivalent Residential Unit, spread across 368,000 ERUs, is designed to fund the County's current rate of ambition in meeting its relatively modest MS4 permit. This rate does not account for additional stormwater work beyond the permit, nor does it fund the ever-growing costs of flood management. There is a backlog of projects currently unfunded, including major structural repairs on ponds. To fully fund the pond backlog alone would be about \$30M, spread across a 6-year CIP at about \$5M/year. This would significantly raise the WQPC *but* without doing so, we are kicking the can down the road on these pond repairs. Existing ponds play a critical role in attenuating the worst impacts of storms on stream valleys. As storms get worse, it is critical to maintain our ponds. Council should consider accelerating the pace of addressing this stormwater repair backlog.

Increase the Stormwater Waiver Fee

One item that we would like to see changed in the budget and could be a potential long-term source of revenue is increasing the cost of stormwater waivers (or, more accurately, increasing their precision so that waiver charges match the actual replacement cost of incomplete on-site stormwater management). According to our research, waivers ("fee in lieu to building permits") are currently granted very frequently but are difficult to track due to limitations in DPS' data systems. We need to know how much volume of water is being waived, and where, in order to accurately address the issues of both water quality in streams and nuisance lot-to-lot flooding.

Currently, the fees from stormwater waivers do not correspond appropriately to the volume of runoff generated from a developed property and are not overall equal to the management and environmental protection costs of the stormwater impacts originating from those properties. Calculating stormwater waiver fees more precisely could bring an added source of valuable stormwater revenue while acting as a disincentive for impervious cover without raising the annual WQPC rate. While this might raise rates on some property owners, it could lower them on others. Some nearby jurisdictions that do have higher stormwater waiver fees continue to see

STORMWATER PARTNERS NETWORK OF MONTGOMERY COUNTY



high economic growth and development, indicating that any additional fees would be easily borne by the market.

Prepare for and create a plan of how and where federal infrastructure bill funding will be allocated for county stormwater plans

This information is very hard to gather, which makes it difficult to plan. Council should work with OMB to incorporate new information regarding federal infrastructure dollars as soon as possible, and use any freed/offset funds not to return to the general fund but to expand upon environmental protection and stormwater management work.

II. PARKS

It is critical now more than ever to continue to fund the Department of Parks. During the pandemic and now, our Parks are serving as natural refuges keeping people healthy both physically and mentally. The Parks Department maintains 421 parks across 37,000 acres of parkland, including community gardens and dog parks, museums and historic buildings, hundreds of miles of natural and hard surface trails, and provides programs and services that appeal to every interest and ability, like nature centers, concerts and exercise classes, and natural resources conservation.⁷ The Parks Department must have adequate staff and resources to continue protection of these invaluable natural resources and to assure a healthier future for all. **SWPN asks the County Council to fully fund the Parks Department FY23 Operating Budget, including the \$0.24M requested increase.**

Invasive plants on parklands

Invasive plants are a huge and ever-growing problem on all our forested and natural lands, most of which is owned by M-NCPPC. Montgomery Parks focuses its funded effort on natural areas in less degraded condition, while in parklands closer to where most people live, invasive plant removal is primarily managed through the volunteer Weed Warrior program. This program is a valiant effort (and many SWPN members are Weed Warriors), but **wholly** inadequate to the scale of the need. M-NCPPC needs to develop a comprehensive management plan for invasives, including dedicated staff positions, and Council needs to fund it. Invasives spread throughout the park system and M-NCPPC should expand its focus and treatment beyond the most visited areas. And once invasive plants are removed, especially by any large-scale manual removal that disrupts the soil, Parks should replant with native plants.

Parks has the leadership, expertise, and Integrated Pest Management plans necessary to step up effort on invasive plant removal. At this point, the primary barrier is lack of funding, and we encourage Council to request a budget proposal from Parks to properly address invasive plants and then fund it.

⁷ Montgomery Parks. Available at: <https://montgomeryparks.org/about/parks/>

STORMWATER PARTNERS NETWORK OF MONTGOMERY COUNTY



III. CLIMATE CHANGE

SWPN asks the County Council to approve and fully fund the Climate Change Planning Program at \$253.1M.⁸ These funds will help the County continue with the implementation phases of the County Climate Action Plan.⁹

- We applaud the addition of a new CIP fund dedicated towards funding a Flood Program manager, Flood GIS specialists and undertaking a Flood Management study.
- We further advocate the need to prioritize, diversify, and genuinely include more people and communities of color in the climate action plan policies, actions, and decision-making processes. We are pleased that this year’s budget includes \$300,000 to continue the Community Justice Academy and launch the Community Justice Fund. We ask the Council to also coordinate the Climate Action Plan efforts with the Planning Department and other county agencies to better coordinate and make the best use of the resources available.¹⁰
- We support the addition of \$810,000 in additional funding to improve the health of our county’s urban forests.¹¹

We appreciate the County Council considering our testimony. If you have any questions, please contact SWPN Co-Chairs Eliza Cava (eliza.cava@anshome.org) or Jeanne Braha (jbaha@rockcreekconservancy.org).

Sincerely,

Organizational Members

Eliza Cava (Co-Chair)
Director of Conservation, Audubon
Naturalist Society

Phillip Musegaas
Vice President - Programs and Litigation,
Potomac Riverkeeper Network

Jeanne Braha (Co-Chair)
Executive Director, Rock Creek
Conservancy

Caroline Taylor
Executive Director, Montgomery
Countryside Alliance

⁸

Climate Change. Montgomery County Operating Budget FY23. Available from:
<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Chapter.aspx?ID=CC>

⁹

Montgomery County Climate Action Plan (2021) Available from:
<https://www.montgomerycountymd.gov/green/climate/index.html>

¹⁰

County Executive’s April 7, 2022. Climate Budget Briefing. Available at: <https://youtu.be/x2x49zzCEg>

¹¹ County Executive’s April 7, 2022. Climate Budget Briefing. Available at: <https://youtu.be/x2x49zzCEg>

STORMWATER PARTNERS NETWORK OF MONTGOMERY COUNTY



Carol Falk
President, West Montgomery County
Citizens Association

Sylvia Tognetti
President, Friends of Ten Mile Creek and
Little Seneca Reservoir

Ginny Barnes
Vice-Chair, Conservation Montgomery

Shruti Bhatnagar
Chair, Sierra Club Montgomery County
Group

Diana Conway
President, Safe Healthy Playing Fields, Inc.

Catherine Cummings
Safe Grow Montgomery

Alan Bowser
President, Montgomery County Civic
Federation

Emily Ranson
Maryland Director, Clean Water Action

Merikay Smith
President, Seneca Creek Watershed Partners

Anne Ambler
President, Neighbors of Northwest Branch

Paul Chrostowski
Takoma Stormwater Solutions

Sarah Morse
Executive Director, Little Falls Watershed
Alliance

Elaine Lamirande
Stormwater Chair, Friends of Sligo Creek

Individual Members

William McCrady, Kensington
John Fay, Wheaton
Cary Lamari, Silver Spring
Lorna Phillips Forde, Montgomery County
Karen Metchis, Bethesda

Kathleen Samiy, Silver Spring
Pia Iolster, Bethesda
Michael Gurwitz, Silver Spring
Maria Schmit, Silver Spring