

**SUBJECT**

FY21 Department of Environmental Protection Water Quality Protection Fund Budget

**EXPECTED ATTENDEES**

Adam Ortiz, Director, Department of Environmental Protection (DEP)  
 Patty Bubar, Deputy Director, DEP  
 Frank Dawson, Chief, Watershed Restoration Division, DEP  
 Rich Harris, Office of Management and Budget

**EXECUTIVE RECOMMENDATION**

FY21 Executive Recommendation	\$29,571,090	92.11 FTE
Increase (Decrease) from FY20	\$744,703 2.6%	(0.41) FTE (1.06%)

**COUNCIL STAFF RECOMMENDATION – CONTINUITY OF SERVICES BUDGET**

FY21 Council Staff Recommendation	\$29,235,129	92.11 FTE
Increase (Decrease) from FY20	\$408,742 1.42%	(0.41) FTE (1.06%)
Increase (Decrease) from CE FY21 Rec	(\$335,961) (1.14%)	0.0 FTE 0.0%

**EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES**

- **Increase in Rainscapes Program to meet Demand (\$100,000):** This increase would address the increased demand for rebates from private property owners and help reduce a 200-application backlog. These projects, on private property, provide a significant cost-effective contribution to meeting the County’s MS4 permit goals.
- **Add Countywide Anti-Litter Campaign (\$50,000):** This increase will allow DEP to use the White Oak pilot trash and litter outreach and engagement campaign to develop a countywide litter reduction program. Beginning in FY21, the program will evaluate and develops strategies in Rock Creek, Cabin John Creek, Lower Potomac Direct, and Seneca Creek watershed In FY21 and FY22, the Department anticipates expanding the anti-litter programs through collaboration within the department as well as with other county agencies/departments.
- **Add Watershed Grant Funding to Non-Profits (\$50,000):** Additional funds will allow DEP to increase the number of grants offered to non-profits for watershed restoration and outreach projects. To date, DEP has awarded 39 of the 62 requested grants (63%) in the amount of \$1.7 million dollars through 5 competitive grant rounds. The amount of funds requested during these

rounds was \$2,831,383.00, 40% of requested funds were not able to be funded, due to funding limitations. Projects contribute to achieving MS4 permit goals.

- **Enhance Pet Waste Station Implementation (\$10,000):** The additional funds would address a backlog of 35 communities on the Pet Waste station waiting list. The installation of pet waste stations allows the County make progress towards meeting required bacterial reductions in County Streams and TMDLs in the Anacostia, Cabin John, Rock Creek, and Lower Monocacy Watersheds. The FY21 base budget includes \$25,000 for this effort.
- **FY21 Compensation Adjustment (\$126,961):** Compensation adjustments will be considered for all of County Government separately and are not included in the “continuity of services” budget calculated by Council Staff.

## CONTINUITY OF SERVICES FROM FY20

- **Wheaton Redevelopment Project Operating Budget Impact (+\$537,343):**
- **Increase Cost for Watershed Monitoring (+\$151,350)**
- **Other Items**
  - IT Equipment for Wheaton Building +\$26,588
  - Property Tax Billing Chargeback from Finance (\$9,920)
  - Annualizations of FY20 Personnel Costs, FY20 Compensation (\$166,981)  
Increases, lapsed positions and FY20 MLS Pay for Performance Increases
  - Motor Pool Savings (\$82,653)
  - Printing and Mail Adjustments (\$4,249)
  - Retirement Adjustment Savings (\$68,242)

## POTENTIAL REDUCTIONS - None

## POTENTIAL ITEMS RELATED TO COVID-19

- None

## WATER QUALITY PROTECTION CHARGE AND FISCAL PLAN

- The Water Quality Protection Charge recommended fiscal plan is attached on Page 66-10. It reflects a proposed increase in the ERU rate from \$104.25 in FY20 to \$108.10 recommended for FY21. Modest ERU rate increases are projected through FY25.
- **This recommended fiscal plan from March 16 does not assume increased costs in the FY21-26 Storm Drain CIP program which were later preliminarily supported by the Council. Given the current uncertainty regarding whether long-term low interest financing from the Maryland Department of the Environment can be used for the Storm Drain Culvert project (versus WQPF current revenue), Council Staff recommends that the increases be deferred to begin in FY22 rather than FY21 (to allow time to confirm the use of long-term financing or WQPF bonds for this project). Council Staff recommends that the increases in Facility Planning: Storm Drains**

and the Storm Drain: General project be incorporated into DEP's Fiscal Plan. Executive staff can provide an estimate of the fiscal impact of these changes at the May 7 meeting. Council action on the Water Quality Protection charge is tentatively scheduled for May 13.

**This report contains:**

CE Recommended FY21 Budget (DEP Excerpt)

Pages 66-1 – 66-10

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# Environmental Protection

## RECOMMENDED FY21 BUDGET

\$33,111,860

## FULL TIME EQUIVALENTS

108.40

 ADAM ORTIZ, DIRECTOR

## MISSION STATEMENT

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

## BUDGET OVERVIEW

The total recommended FY21 Operating Budget for the Department of Environmental Protection is \$33,111,860, an increase of \$1,161,328 or 3.63 percent from the FY20 Approved Budget of \$31,950,532. Personnel Costs comprise 36.13 percent of the budget for 92 full-time position(s) and one part-time position(s), and a total of 108.40 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 63.87 percent of the FY21 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 \$8,172,350 is required in FY21 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

-  Expand the use of grants issued through the Chesapeake Bay Trust to local watershed organizations. These grants provide funds to many local partners to implement watershed improvement projects that target the reduction of pollutants from private properties.
-  Increase funding from the Tree Canopy Fund to allow an additional 550 trees to be planted on private property through the Tree Montgomery Program. This initiative allows for credit under the MS4 permit as well as helps address issues related to

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adapting to climate change impacts.

- ★ Provide funding for targeted outreach to property owners with wells or septic systems, reminding them of proper maintenance and informing them of what County services are available.
- ★ Add funding for outreach surrounding the County's pesticide law, which restricts what kinds of pesticides may be used in the County.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Successfully reorganized the Department of Environmental Protection (DEP) with a focus on operational efficiency. This includes integrating all watershed management functions within DEP into the Watershed Restoration Division, centrally managing enterprise functions such as procurement, IT and budget, and reorienting the focus of the previous Solid Waste Division to be focused on movement towards zero waste.
- ★ Developed a Geographic Information System (GIS) Suitability Model to create science-based geographic targeting maps for implementing stormwater management best management practices (BMPs) and other DEP programs. These targeting maps will guide the County's efforts to meet future MS4 permit requirements, achieve biological uplift, ensure project longevity, and address environmental justice issues.
- ★ Re-developed the Tree Montgomery database to manage all aspects of the Tree Montgomery Program, including customer applications, planting locations and tree species, ordering with the planting contractor, inspections and invoicing, and coordinating after-care services. The total number of trees planted through the program increased significantly by mid-year, earning impervious area restoration credits under the MS4 permit.
- ★ Relocate Department of Environmental Protection offices to Wheaton as part of a Countywide initiative to centralize government services to support business growth and development. This move was planned as part of the Wheaton Redevelopment Program, which will encourage private reinvestment in Wheaton through targeted, complementary public investment.

## 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 FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Recommended Budget and funding for comparable service levels in FY22.

## 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 DEP cooperates, including DPS, DOT, and DGS, as well as external groups including faith-based institutions, MNCPCP and WSSC. The Office develops water and wastewater policies and updates the County's comprehensive water and sewer plan.

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>1,073,960</b>	<b>5.26</b>
Add: Outreach to Owners of On-site Water and Wastewater Treatment Systems (Wells and Septic Systems)	20,000	0.00
Increase Cost: IT Equipment for Wheaton Building	12,888	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.	284,518	1.59
<b>FY21 Recommended</b>	<b>1,391,366</b>	<b>6.85</b>

## Energy, Climate and Compliance

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

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of outreach impressions to educate residents on Energy Efficiency and Renewable Energy	7,872	8,283	9,000	9,500	10,000
Percent of commercial buildings in compliance with the building benchmarking law <sup>1</sup>	N/A	N/A	85%	95%	95%
Average days to close environmental cases	31	27	30	30	30
Percent of customers rating themselves as satisfied with DEP's response to environmental complaints	75%	84%	80%	80%	80%

<sup>1</sup> CY18 data are still being submitted, and CY19 data is not yet available. CY17 is County buildings = 50,000 sf + private buildings = 50,000 sf (58%). The total number of buildings required to comply is uncertain due to inaccurate/conflicting data sources. Figures for buildings in compliance include buildings filing exemptions/waivers as authorized under the law.

FY21 Recommended Changes	Expenditures	FTEs
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FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>2,116,885</b>	<b>11.44</b>
Increase Cost: Increase Cost of Noise Waiver Public Notifications	4,500	0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program	(66,700)	0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program	(500,000)	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.	(155,281)	(2.00)
<b>FY21 Recommended</b>	<b>1,399,404</b>	<b>9.44</b>

## Watershed Restoration

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

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

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

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Pounds of sediment reduced (thousands) <sup>1</sup>	N/A	532	984	1,830	2,212
Pounds of nitrogen reduced <sup>2</sup>	N/A	463	1,274	2,170	3,000
Percent of stormwater management triennial inspections completed <sup>3</sup>	95%	64%	95%	95%	95%
Percent of stormwater management facility maintenance work orders completed	93%	82%	99%	100%	100%

<sup>1</sup> FY19 shows the beginning of an anticipated new MS4 Permit requirement for nitrogen reduction. Past performance data no available as this is a new permit requirement. MDE does not anticipate issuing a permit until Summer 2020. However, DEP continues to implement restoration projects

based on the approved CIP budget. These projects will contribute to the success of the new permit when it is issued.

<sup>2</sup> FY19 shows the beginning of an anticipated new MS4 Permit requirement for nitrogen reduction. Past performance data no available as this is a new permit requirement. MDE does not anticipate issuing a permit until Summer 2020. However, DEP continues to implement restoration projects based on the approved CIP budget. These projects will contribute to the success of the new permit when it is issued.

<sup>3</sup> Does not include triennial inspections of BMPs on Single Family Residential (SFR) properties, which are covered under a separate inspection program.

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>28,759,687</b>	<b>93.17</b>
Increase Cost: Wheaton Redevelopment Project Operating Budget Impacts	537,343	0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program	500,000	0.00
Enhance: Additional Tree Planting Funded Through the Tree Montgomery Program (Tree Canopy Fund)	250,000	0.00
Increase Cost: Watershed Montintoring	151,350	0.00
Add: Outreach and Education Campaign for County Pesticide Law	125,000	0.00
Enhance: Increase in Rainscapes Program to Meet Program Demand	100,000	0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program	66,700	0.00
Add: Countywide Anti-Litter Outreach Campaign	50,000	0.00
Enhance: Watershed Grant Funding to Non-Profits	50,000	0.00
Increase Cost: IT Equipment for Wheaton Building	26,588	0.00
Increase Cost: Storm Drain Maintenance	25,506	0.00
Enhance: Pet Waste Station Implementation	10,000	0.00
Technical Adj: Property Tax Billing Chargeback from Finance	(9,920)	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.	(321,164)	(1.06)
<b>FY21 Recommended</b>	<b>30,321,090</b>	<b>92.11</b>

## BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,178,617	1,584,064	1,418,054	1,636,408	3.3 %
Employee Benefits	411,191	505,077	431,608	467,472	-7.5 %
<b>County General Fund Personnel Costs</b>	<b>1,589,808</b>	<b>2,089,141</b>	<b>1,849,662</b>	<b>2,103,880</b>	<b>0.7 %</b>
Operating Expenses	756,243	1,035,004	1,211,924	1,436,890	38.8 %
<b>County General Fund Expenditures</b>	<b>2,346,051</b>	<b>3,124,145</b>	<b>3,061,586</b>	<b>3,540,770</b>	<b>13.3 %</b>
<b>PERSONNEL</b>					
Full-Time	46	46	46	46	—
Part-Time	0	0	0	0	—
FTEs	16.50	16.70	16.70	16.29	-2.5 %
<b>REVENUES</b>					
Other Charges/Fees	3,137	60,400	60,400	60,400	—
Other Fines/Forfeitures	15,900	15,000	15,000	15,000	—



## BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
Other Licenses/Permits	20,025	10,000	20,000	20,000	100.0 %
Tree Canopy	847,000	500,000	500,000	500,000	—
<b>County General Fund Revenues</b>	<b>886,062</b>	<b>585,400</b>	<b>595,400</b>	<b>595,400</b>	<b>1.7 %</b>

### WATER QUALITY PROTECTION FUND

#### EXPENDITURES

Salaries and Wages	6,533,355	7,476,220	6,961,451	7,543,768	0.9 %
Employee Benefits	1,925,643	2,456,943	2,122,272	2,316,419	-5.7 %
<b>Water Quality Protection Fund Personnel Costs</b>	<b>8,458,998</b>	<b>9,933,163</b>	<b>9,083,723</b>	<b>9,860,187</b>	<b>-0.7 %</b>
Operating Expenses	16,920,414	18,893,224	19,093,224	19,710,903	4.3 %
<b>Water Quality Protection Fund Expenditures</b>	<b>25,379,412</b>	<b>28,826,387</b>	<b>28,176,947</b>	<b>29,571,090</b>	<b>2.6 %</b>

#### PERSONNEL

Full-Time	45	46	46	46	—
Part-Time	0	1	1	1	—
FTEs	91.47	93.17	93.17	92.11	-1.1 %

#### REVENUES

Bag Tax	2,566,990	2,471,921	2,471,921	2,500,000	1.1 %
Investment Income	808,871	934,070	934,070	750,000	-19.7 %
Other Charges/Fees	391,310	50,000	50,000	47,500	-5.0 %
Water Quality Protection Charge	38,307,412	37,515,190	37,767,816	39,175,960	4.4 %
<b>Water Quality Protection Fund Revenues</b>	<b>42,074,583</b>	<b>40,971,181</b>	<b>41,223,807</b>	<b>42,473,460</b>	<b>3.7 %</b>

### DEPARTMENT TOTALS

<b>Total Expenditures</b>	<b>27,725,463</b>	<b>31,950,532</b>	<b>31,238,533</b>	<b>33,111,860</b>	<b>3.6 %</b>
<b>Total Full-Time Positions</b>	<b>91</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>—</b>
<b>Total Part-Time Positions</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>—</b>
<b>Total FTEs</b>	<b>107.97</b>	<b>109.87</b>	<b>109.87</b>	<b>108.40</b>	<b>-1.3 %</b>
<b>Total Revenues</b>	<b>42,960,645</b>	<b>41,556,581</b>	<b>41,819,207</b>	<b>43,068,860</b>	<b>3.6 %</b>

### FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
	<b>FY20 ORIGINAL APPROPRIATION</b>	<b>3,124,145 16.70</b>
<b><u>Changes (with service impacts)</u></b>		
Enhance: Additional Tree Planting Funded Through the Tree Montgomery Program (Tree Canopy Fund) [Watershed Restoration]	250,000	0.00
Add: Outreach and Education Campaign for County Pesticide Law [Watershed Restoration]	125,000	0.00

## FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
Add: Outreach to Owners of On-site Water and Wastewater Treatment Systems (Wells and Septic Systems) [Administration]	20,000	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program [Watershed Restoration]	500,000	0.00
Increase Cost: FY21 Compensation Adjustment	33,308	0.00
Increase Cost: Annualization of FY20 Compensation Increases	19,427	0.00
Increase Cost: IT Equipment for Wheaton Building [Administration]	12,888	0.00
Increase Cost: MLS Pay for Performance (Increase to Base Pay)	4,810	0.00
Increase Cost: Increase Cost of Noise Waiver Public Notifications [Energy, Climate and Compliance]	4,500	0.00
Increase Cost: Print and Mail Adjustment	365	0.00
Decrease Cost: Motor Pool Adjustment	(10,867)	0.00
Decrease Cost: Annualization of FY20 Personnel Costs	(12,888)	(0.41)
Decrease Cost: Retirement Adjustment	(29,918)	0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program [Energy, Climate and Compliance]	(500,000)	0.00
<b>FY21 RECOMMENDED</b>	<b>3,540,770</b>	<b>16.29</b>

### WATER QUALITY PROTECTION FUND

	FY20 ORIGINAL APPROPRIATION	28,826,387	93.17
<b><u>Changes (with service impacts)</u></b>			
Enhance: Increase in Rainscapes Program to Meet Program Demand [Watershed Restoration]	100,000		0.00
Add: Countywide Anti-Litter Outreach Campaign [Watershed Restoration]	50,000		0.00
Enhance: Watershed Grant Funding to Non-Profits [Watershed Restoration]	50,000		0.00
Enhance: Pet Waste Station Implementation [Watershed Restoration]	10,000		0.00
<b><u>Other Adjustments (with no service impacts)</u></b>			
Increase Cost: Wheaton Redevelopment Project Operating Budget Impacts [Watershed Restoration]	537,343		0.00
Increase Cost: Watershed Monitoring [Watershed Restoration]	151,350		0.00
Increase Cost: FY21 Compensation Adjustment	125,961		0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program [Watershed Restoration]	66,700		0.00
Increase Cost: Annualization of FY20 Compensation Increases	65,168		0.00
Increase Cost: Annualization of FY20 Lapsed Positions	33,460		0.00
Increase Cost: IT Equipment for Wheaton Building [Watershed Restoration]	26,588		0.00
Increase Cost: Storm Drain Maintenance [Watershed Restoration]	25,506		0.00
Increase Cost: MLS Pay for Performance (Increase to Base Pay)	9,099		0.00
Decrease Cost: Print and Mail Adjustment	(4,249)		0.00
Technical Adj: Property Tax Billing Chargeback from Finance [Watershed Restoration]	(9,920)		0.00
Shift: Move Tree Montgomery Program from Energy, Climate, and Compliance program to Watershed Restoration Program [Energy, Climate and Compliance]	(66,700)		0.00

## FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Retirement Adjustment	(68,242)	0.00
Decrease Cost: Motor Pool Adjustment	(82,653)	0.00
Decrease Cost: Annualization of FY20 Personnel Costs	(274,708)	(1.06)
<b>FY21 RECOMMENDED</b>	<b>29,571,090</b>	<b>92.11</b>

## PROGRAM SUMMARY

Program Name	FY20 APPR Expenditures	FY20 APPR FTEs	FY21 REC Expenditures	FY21 REC FTEs
Administration	1,073,960	5.26	1,391,366	6.85
Energy, Climate and Compliance	2,116,885	11.44	1,399,404	9.44
Watershed Restoration	28,759,687	93.17	30,321,090	92.11
<b>Total</b>	<b>31,950,532</b>	<b>109.87</b>	<b>33,111,860</b>	<b>108.40</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY20 Total\$	FY20 FTEs	FY21 Total\$	FY21 FTEs
<b>WATER QUALITY PROTECTION FUND</b>					
CIP	Capital Fund	2,580,971	19.20	2,494,750	18.35

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY21 Recommended</b>	<b>3,541</b>	<b>3,541</b>	<b>3,541</b>	<b>3,541</b>	<b>3,541</b>	<b>3,541</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY21</b>	<b>0</b>	<b>(138)</b>	<b>(138)</b>	<b>(138)</b>	<b>(138)</b>	<b>(138)</b>
Items recommended for one-time funding in FY21 will be eliminated from the base in the outyears. In FY21, this represents IT equipment for the Wheaton Office Building and outreach related to the County's pesticide law.						
<b>Labor Contracts</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Stormwater Management Retrofit: Countywide (P808726)</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Subtotal Expenditures</b>	<b>3,541</b>	<b>3,406</b>	<b>3,556</b>	<b>3,556</b>	<b>3,556</b>	<b>3,556</b>
<b>WATER QUALITY PROTECTION FUND</b>						

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
<b>EXPENDITURES</b>						
<b>FY21 Recommended</b>	<b>29,571</b>	<b>29,571</b>	<b>29,571</b>	<b>29,571</b>	<b>29,571</b>	<b>29,571</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY21</b>	<b>0</b>	<b>(27)</b>	<b>(27)</b>	<b>(27)</b>	<b>(27)</b>	<b>(27)</b>
Items recommended for one-time funding in FY21 will be eliminated from the base in the outyears. In FY21, this represents IT equipment for the Wheaton Office Building.						
<b>Building Lease Operating Budget Impacts</b>	<b>0</b>	<b>(733)</b>	<b>(733)</b>	<b>(733)</b>	<b>(733)</b>	<b>(733)</b>
Reduction of lease costs in FY21 - FY25 to reflect move to Wheaton in Fall 2020						
<b>Wheaton Building Operating Costs</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>14</b>	<b>14</b>
<b>Labor Contracts</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>29,571</b>	<b>28,846</b>	<b>28,846</b>	<b>28,846</b>	<b>28,853</b>	<b>28,853</b>

<b>FY21-26 PUBLIC SERVICES PROGRAM: FISCAL PLAN Water Quality Protection Fund</b>							
<b>FISCAL PROJECTIONS</b>	<b>FY20 ESTIMATE</b>	<b>FY21 CE REC</b>	<b>FY22 PROJECTION</b>	<b>FY23 PROJECTION</b>	<b>FY24 PROJECTION</b>	<b>FY25 PROJECTION</b>	<b>FY26 PROJECTION</b>
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	20.45%	<b>18.64%</b>	18.64%	18.64%	18.64%	18.64%	18.64%
CPI (Fiscal Year)	2.32%	<b>1.59%</b>	1.61%	1.60%	1.58%	1.56%	1.54%
Investment Income Yield	2.45%	<b>1.40%</b>	1.35%	1.35%	1.35%	1.35%	1.35%
Number of Equivalent Residential Units (ERUs) Billed	365,000	<b>367,400</b>	367,400	368,000	368,000	369,000	369,000
Water Quality Protection Charge (\$/ERU)	\$104.25	<b>\$108.10</b>	\$113.50	\$117.50	\$120.00	\$125.00	\$125.00
Collection Factor for Charge	99.5%	<b>99.5%</b>	99.5%	99.5%	99.5%	99.5%	99.5%
<b>BEGINNING FUND BALANCE</b>	<b>15,833,546</b>	<b>10,121,767</b>	<b>3,777,548</b>	<b>1,885,647</b>	<b>1,793,463</b>	<b>2,795,295</b>	<b>4,290,259</b>
<b>REVENUES</b>							
Charges For Services	37,767,816	<b>39,175,960</b>	41,137,400	42,657,200	43,559,900	45,499,380	45,499,380
Bag Tax Receipts	2,471,921	<b>2,500,000</b>	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Miscellaneous	984,070	<b>797,500</b>	797,500	797,500	797,500	797,500	797,500
<b>Subtotal Revenues</b>	<b>41,223,807</b>	<b>42,473,460</b>	<b>44,434,900</b>	<b>45,954,700</b>	<b>46,857,400</b>	<b>48,796,880</b>	<b>48,796,880</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To General Fund	(8,187,380)	(11,040,589)	(11,749,415)	(12,186,525)	(12,256,429)	(12,262,336)	(12,259,923)
Indirect Costs	(2,037,980)	(1,837,940)	(1,837,940)	(1,837,940)	(1,837,940)	(1,837,940)	(1,837,940)
Transfers to Debt Service Fund (Non-Tax)	(6,149,400)	(9,202,649)	(9,911,475)	(10,348,585)	(10,418,489)	(10,424,396)	(10,421,983)
<b>TOTAL RESOURCES</b>	<b>48,869,973</b>	<b>41,554,638</b>	<b>36,463,032</b>	<b>35,653,822</b>	<b>36,394,434</b>	<b>39,329,838</b>	<b>40,827,216</b>
<b>CIP CURRENT REVENUE APPROPRIATION</b>							
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>	<b>(4,334,000)</b>	<b>(8,206,000)</b>	<b>(4,856,000)</b>	<b>(3,786,000)</b>	<b>(3,146,000)</b>	<b>(4,196,000)</b>	<b>(3,206,000)</b>
Operating Budget	(28,176,947)	(29,571,090)	(29,288,947)	(29,656,397)	(30,035,177)	(30,425,617)	(30,828,057)
Annualizations and One-Time (PC)	0	0	(164,476)	0	0	0	0
Labor Contracts	0	0	(49,779)	(49,779)	(49,779)	(49,779)	(49,779)
Labor Contracts Other	0	0	21,817	21,817	21,817	21,817	21,817
FFI - Rainscapes Rebates Program	0	0	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
FFI - Watershed Restoration Grant Program for Non-Profits	0	0	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Operating Impacts of CIP Projects (CE Recommended FY21-26 PDFs)	0	0	0	(150,000)	(150,000)	(150,000)	(150,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(28,176,947)</b>	<b>(29,571,090)</b>	<b>(29,721,385)</b>	<b>(30,074,359)</b>	<b>(30,453,139)</b>	<b>(30,843,579)</b>	<b>(31,246,019)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(6,237,259)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(38,748,206)</b>	<b>(37,777,090)</b>	<b>(34,577,385)</b>	<b>(33,860,359)</b>	<b>(33,599,139)</b>	<b>(35,039,579)</b>	<b>(34,452,019)</b>
<b>YEAR END FUND BALANCE</b>	<b>10,121,767</b>	<b>3,777,548</b>	<b>1,885,647</b>	<b>1,793,463</b>	<b>2,795,295</b>	<b>4,290,259</b>	<b>6,375,197</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>20.7%</b>	<b>9.1%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>7.7%</b>	<b>10.9%</b>	<b>15.6%</b>
<b>NET REVENUE</b>	<b>11,008,880</b>	<b>11,064,430</b>	<b>12,875,575</b>	<b>14,042,401</b>	<b>14,566,321</b>	<b>16,115,361</b>	<b>15,712,921</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.79</b>	<b>1.20</b>	<b>1.30</b>	<b>1.36</b>	<b>1.40</b>	<b>1.55</b>	<b>1.51</b>

**Assumptions:**

1. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY22 and FY26 have been incorporated in the future fiscal impact (FFI) rows.
4. The operating budget includes planning and implementation costs for compliance with the Municipal Separate Storm Sewer System (MS-4) permit, which was issued by the Maryland Department of the Environment in February 2010 and remains administratively extended until a new permit is in place (expected at the end of 2020). Debt service on bonds and loans that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. The Department of Finance issued \$37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A) and \$46.5 million dated April 6, 2016 (Series 2016A). In December 2019, the County closed on \$50.7 million in Water Quality State Revolving Fund (WQSRF) Loans from the MD Department of the Environment (MDE). The actual debt service costs for the Series 2012A and 2016A bond issuances and the anticipated MDE Water Quality Revolving Loan debt service in years FY21-26 are included in the fiscal plan. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs (1.20 in FY21).
6. The Water Quality Protection fund balance minimum policy target is 5% of resources.