



# MARYLAND DEPARTMENT OF THE ENVIRONMENT

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Martin O'Malley  
Governor

Robert M. Summers, Ph.D.  
Secretary

Anthony G. Brown  
Lieutenant Governor

March 18, 2014

The Honorable Joan Carter Conway  
Miller Senate Building, 2 West  
11 Bladen Street  
Annapolis, MD 21401

**Re: Letter of Information, *House Bill 937 - Wastewater Treatment Facilities – Distribution of Financial Assistance***

Dear Chairperson Conway and Committee Members:

The Maryland Department of the Environment (“MDE” or “the Department”) has reviewed House Bill 937, and would like to provide the following information regarding the bill.

This legislation requires MDE’s Water Quality Financing Administration to ensure the “fair and equitable distribution” of financial assistance among wastewater treatment facilities (WWTP). The bill does not define “fair and equitable distribution” and without further definition, MDE would not alter its current implementation of the funding programs contained in the bill.

The MDE funds identified in the bill which provide financial assistance, and which would be required to be “fairly and equitably” distributed, are the Water Quality Revolving Fund, Bay Restoration Fund, Biological Nutrient Removal Program, and the Supplemental Assistance Program. MDE's existing policies already offer additional subsidies to smaller, low-income WWTP owners within the statutory authority for each of the funding programs identified in House Bill 937.

Beginning in FY18, MDE will have approximately \$50 million/yr available from the Bay Restoration Fund WWTP fund to pay for additional eligible uses including upgrading minor WWTPs to Enhanced Nutrient Removal. Additionally, MDE already has some BRF funding available for minor WWTPs and has initiated discussions with some local jurisdictions about providing funding for these upgrades. By providing these minor WWTP owners with grant funding for these upgrades, the local share of the upgrade cost will be reduced. MDE’s below market interest rate loans will also be available for the local share not covered by the BRF grants. Both of these things will make these minor WWTP upgrades much more affordable going forward.

Thank you for your consideration of this information. We will continue to monitor House Bill 937 during the Committee’s deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at [jeffrey.fretwell@maryland.gov](mailto:jeffrey.fretwell@maryland.gov).

Sincerely,

Jeffrey Fretwell

