



Department of the Environment

Bay Restoration Fund Update

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Bay Restoration Fund (BRF)

The overall BRF is made up of two separate funds with specific authorized uses under State law:

1. Bay Restoration (WWTP) Fund: Includes deposits of fees collected from users served by all wastewater treatment plants in Maryland.
2. Bay Restoration (Septic) Fund: Includes deposit of fees collected from users on on-site sewage disposal systems such as septic systems or holding tanks located in Maryland.

WWTP: Wastewater Treatment Plant





Bay Restoration (WWTP) Fund

BRF (WWTP) Current Fee Rate

- Effective 7/1/12, the BRF fee on users, where the WWTP discharges into the Chesapeake or Atlantic Coastal Bays, is \$5.00 per month per household or equivalent dwelling unit (EDU) - businesses pay based on water consumption converted to EDU.
- \$2.50 per month per household/EDU for users where the WWTP does not discharge to the Chesapeake or Atlantic Coastal Bay. (portions of Garrett County, Cecil County and Ocean City).
- Estimated fee revenue: Approx. \$100 million/year (FY 2013).
- Fee reverts back to \$2.50/month rate starting July 1, 2030.





Bay Restoration (WWTP) Fund

Primary Purpose (Phase-I): To upgrade by 2017, the 67 major (design flow > 0.50 million gallons per day) Wastewater Treatment Plants that discharge to the Chesapeake Bay watershed, with Enhanced Nutrient Removal (ENR) technologies - nitrogen reduction from 8 mg/l (BNR level) to 3 mg/l.

Total Est. Capital Cost: = \$1.26 billion.

The BRF provides up to 100% in State grant funding to WWTP owners for the capital cost of ENR upgrades.

BNR: Biological Nutrient Reduction





ENR Status (as of 12/31/12)

Grant Awards to WWTP Owners: \$704 million

Grant Payment Expenditures: \$340 million

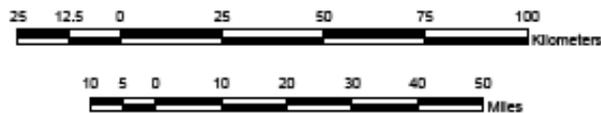
Payments are made based on work completed

| | <u># of ENR WWTP</u> |
|------------------------|----------------------|
| ENR Completed: | 26 |
| Under Construction: | 21 |
| Under Design/Planning: | <u>20</u> |
| Total (Phase-I) | 67 |



Maryland's Wastewater Treatment Plants

Current ENR Status



Martin O'Malley, Governor
 Anthony G. Brown, Lt. Governor
 Robert M. Summers, Ph.D., Secretary





Maryland Chesapeake Bay Total Maximum Nitrogen Loading Goal

Total Nitrogen (TN) Loading by Sector (WIP Phase-II - 03/2012)
(million lbs per year)

| Sector | Progress Thru 2010 | Final Target Load (2025) | % Reduction Needed |
|--------------|-----------------------|-----------------------------|-----------------------|
| Stormwater | 9.48 | 7.55 | 20% |
| Agriculture | 19.95 | 15.22 | 24% |
| Septic | 3.00 | 1.85 | 38% |
| Forest | 5.29 | 5.31 | 0% |
| Atmospheric | 0.66 | 0.66 | N/A |
| Wastewater * | 14.37 | 10.58 | 26% |
| <i>Total</i> | 52.76 | 41.17 | 22% |

* Maryland expects to achieve ENR upgrades at the major WWTPs by 2017, to meet the above wastewater target.





Bay Restoration (WWTP) Fund

Future: FY 2018 and Beyond

- Estimated \$50M/yr of fee revenue available (net of revenue bond debt service) for other uses.
- Statute expands the uses of the BRF WWTP Fund to provide grants in priority order for:

ENR upgrade of minor WWTP with design flow below 0.5 million gallons per day

Additional Septic BAT upgrades including sewer extensions to ENR WWTP under certain conditions

Stormwater BMPs where the entity has established local stormwater fees





Bay Restoration (Septic) Fund

BRF (Septic) Current Fee Rate

- Effective 7/1/12, the BRF fee on users of OSDS/septic systems located in the Chesapeake or Atlantic Coastal Bays, is \$5.00 per month per user (\$60 per year).
- \$2.50 per month per user for OSDS/septic systems located outside the Chesapeake or Atlantic Coastal Bay. (portions of Garrett and Cecil Counties).
- Estimated fee revenue: Approx. \$27 million/year (FY 2013).
- Fee reverts back to \$2.50/month rate starting July 1, 2030.





Bay Restoration (Septic) Fund

Primary Purpose

A. To upgrade individual Onsite Sewage Disposal Systems/Septic Systems with Best Available Technology (BAT) for nitrogen reduction (60% of the BRF septic fee).

The BRF program by policy provides between 25% and 100% of the BAT capital cost as grants, based on homeowner income. Businesses are eligible for up to 25% of BAT cost as grant.

B. To provide funding to farmers for Cover Crops (40% of BRF septic fee).

This program is managed by the Maryland Department of Agriculture (MDA). Per MDA, in FY 2012, over 600,000 acres were enrolled and MDA spent 19.8 million on cover crops of which \$5.6 million came from the BRF septic fee. In FY 2013, the BRF fee revenue for cover crops is estimated around \$10.8 million.





Septic BAT Upgrade Status

(as of 12/31/12)

| | |
|---------------------|--------------|
| Grant Awards: | \$63 million |
| Grant Expenditures: | \$50 million |

Since FY 2011, grants are awarded to Counties to implement the BAT upgrades

| | <u># of BAT</u> |
|-----------------------|-----------------|
| Septic BAT Installed: | 3,758 |
| a. Critical Areas: | 2,362 |
| b. Other Areas: | 1,396 |





Bay Restoration (Septic) Fund

Effective 10/1/2011, the Bay Restoration (Septic) Fund can also provide funding up to the sum of the costs of each individual septic system, to connect to an existing WWTP achieving ENR, provided ALL of the following conditions are met:

1. Environmental Impact of the Onsite Sewage Disposal System (OSDS)/Septic system is documented.
2. Demonstrate that:
 - A. Service to an existing WWTP achieving ENR is more cost-effective than upgrading individual OSDS/septic system, or
 - B. Individual replacement of OSDS/Septic system is not feasible.
3. Project is consistent with County's Comprehensive Plan and Water/Sewer Master Plan.
4. OSDS/Septic system was installed before 10/1/2008 and is located in the Priority Funding Area.
5. Adoption of local procedures that guarantee future connections to the BRF funded sewer line meet the above requirements.

