

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Ben Grumbles, Acting Secretary

BILL NO: HB0156

COMMITTEE: Environment and Transportation Committee

POSITION: Support with Amendments

TITLE: Environment – Bay Restoration Fund – Use of Funds

BILL ANALYSIS: This bill adds to the authorized uses of the Bay Restoration Fund (BRF) beginning in fiscal year 2016. The bill allows for funding for up to 87.5% of the cost of projects relating to combined sewer overflows (CSO) abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations.

POSITION AND RATIONALE: MDE supports HB0156 with amendments. Funding in the BRF is utilized to provide grants to local governments to implement enhanced nutrient removal technology at the 67 largest waste water treatment plants (WWTPs) in Maryland. These WWTP upgrades are critical to ensuring Maryland reach the required reductions outlined in the State’s Watershed Implementation Plan (WIP). Once the 67 largest WWTP upgrades are fully funded, the statute provides for additional uses of BRF funding, including upgrading minor WWTPs, upgrading septic systems, and funding for stormwater management projects.

By expanding the authorized uses of the BRF, this legislation will also allow MDE to utilize BRF funding to provide grants to local governments for CSO abatement, rehabilitation of existing sewers, and upgrading conveyance systems, thereby reducing nutrient and bacteria loadings to the Chesapeake Bay, the Coastal Bays, and their tributaries. These projects will help Maryland reach its WIP goals, as well as address public health issues.

BRF funds were available between 2005 and 2009 to fund a portion of the costs of these types of projects. The annual allocation for these projects was up to \$5 million. During this time, the BRF funded 28 of these projects totaling \$20 million.

The Department has two technical amendments to the bill. Amendment No. 1 provides consistency with other parts of this statute, in that costs must be reviewed and approved by the Department as legitimate project expenditures before receiving funding. Amendment No. 2 adds these types of projects to the funding priority order list starting in FY18. This amendment will ensure that these projects are included in the priority ranking beginning in FY18 and that the projects that will result in the highest nutrient reductions will be appropriately prioritized for funding each fiscal year.

AMENDMENT TO HOUSE BILL 156
(First Reading File Bill)

BY: Maryland Department of the Environment
(To be offered in the Education, Health, & Environmental Affairs Committee)

AMENDMENT NO. 1

On page 1, in line 23, after “projects” insert “, AS APPROVED BY THE DEPARTMENT,”.

AMENDMENT NO. 2

On page 2, after line 16 insert “C. FOR COSTS IDENTIFIED UNDER (I) (2) (II) 1. OF THE SUBSECTION;”, in line 17 strike “C” and insert “D”, in line 19 strike “D” and insert “E”

EXPLANATION:

Amendment No. 1 provides consistency with other parts of this subsection in that costs must be reviewed and approved by the Department as legitimate project expenditures before receiving the grant.

Amendment No. 2 adds combined sewer overflows to the priority order list starting in fiscal year 2018. In 2018 the Bay TMDL will have its mid-cycle evaluation. This amendment will ensure that projects that will result in the highest nutrient reductions will be appropriately prioritized for funding each fiscal year.

FOR MORE INFORMATION,
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