



# Maryland

## Department of the Environment

Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary  
Horacio Tablada, Deputy Secretary

JUL 26 2019

Mr. Mark Richmond, P.E.  
Chief, Stormwater Management Division  
Department of Public Works  
Howard County Government  
6751 Columbia Gateway Drive, Suite 514  
Columbia, MD 21046-3145

Dear Mr. Richmond:

This letter acknowledges the Maryland Department of the Environment's (Department) receipt of Howard County's 2018 Financial Assurance Plan (FAP) and 2018 Watershed Protection and Restoration Program (WPRP) Annual Report as required by the Annotated Code of Maryland.

Chapter 124 of the Acts of the General Assembly of 2015 requires the Department to make a determination regarding the sufficiency of funding in each FAP filed with the Department. The first FAP, filed in 2016 by the County, was found to demonstrate sufficient funding for the 2-year period immediately following the filing date of the FAP. The second and subsequent FAP, is sufficient if it demonstrates that the County has the dedicated revenues, funds, or sources of funds to meet, for the 2-year period immediately following the filing date of the FAP, 100% of the projected costs of compliance with the impervious surface restoration plan (ISRP) requirements of the County's National Pollutant Discharge Elimination System (NPDES) Phase I Municipal Separate Storm Sewer System (MS4) permit.

After reviewing Howard County's 2018 FAP, the Department has determined that the County has demonstrated that it has sufficient funding in its FAP. The Department has provided more detailed comments in an attachment for the County's information and use. The County's next WPRP Annual Report will be due in coordination with its next MS4 Annual Report, and its FAP will be due in coordination with the 2020 MS4 Annual Report.

The Department recognizes the substantial effort required in developing these FAPs and WPRP Annual Reports, and looks forward to working with Howard County on this very important environmental program for improving local water resources and Chesapeake Bay. If you have any questions regarding this review, please contact me at 410-537-3567 or Jennifer M. Smith at 410-537-3561, or [jenniferm.smith@maryland.gov](mailto:jenniferm.smith@maryland.gov).

Sincerely,

D. Lee Currey  
Director, Water and Science Administration

cc: Suzanne Dorcey, Assistant Secretary, Maryland Department of the Environment  
Jennifer M. Smith, P.E., Program Manager, Sediment, Stormwater, and Dam Safety Program  
Christine Lowe, P.E., Howard County Bureau of Environmental Services

Attachment



**Maryland Department of the Environment's (MDE) Review of  
Howard County's 2018 Financial Assurance Plan (FAP)**

Plan Condition	MDE Assessment and Recommendations
<p>Demonstration of Sufficient Funding</p>	<ul style="list-style-type: none"> <li>• Annotated Code of Maryland ENV § 4-202.1(j) requires Phase I Municipal Separate Storm Sewer System (MS4) permitted jurisdictions to submit a Financial Assurance Plan (FAP) every 2 years on the anniversary date of its MS4 permit issuance. The first FAP was submitted in July 2016. Howard County submitted a draft of its second FAP to the Maryland Department of the Environment (MDE) on December 18, 2018.</li> <li>• A public hearing was held for the FAP on April 22, 2019. The Resolution was adopted by the County Council on May 6, 2019, and the FAP was approved by the County Executive on May 13, 2019. MDE received a copy of the signed FAP certification and resolution on May 20, 2019.</li> <li>• The County's MS4 permit expires on December 17, 2019, approximately the middle of fiscal year (FY) 2020. The FAP demonstrates sufficient funding for the projected Impervious Surface Restoration Plan (ISRP) costs for the next two-year period (i.e., FY2019-FY2020).</li> </ul>
<p>Actions to Meet Permit Requirements  ("All Actions" worksheet)</p>	<ul style="list-style-type: none"> <li>• The plan included an Executive Summary and all required information in the MDE suggested table format. As requested, the County reported BMPs under construction or planned in the "All Actions" worksheet.</li> <li>• The County's FAP reports that its impervious acre requirement, also known as the ISRP baseline, is 2,008 acres. However, in 2017 MDE approved a Treatment Requirement of 2,460 acres. The County proposed the amount of 2,008 acres as part of the MS4 reapplication process. The proposed baseline is currently under review and has not been approved. For this FAP review, the approved baseline will be used.</li> <li>• The County reported completing 1,871 acres of restoration in the Specific Actions worksheet, and projected to complete a total of 2,632 acres of restoration by the end of the permit term (i.e., December 17, 2019). This is 172 acres more than the MDE approved requirement and 624 acres greater than the revised ISRP requirement.</li> <li>• The total projected restoration for the permit term includes 1,091 acres of restoration from FY2019 to FY2020 that would be achieved through BMPs that are planned or currently under construction.</li> <li>• The County did not provide BMP projections for FY2021-FY2023.</li> <li>• The majority of best management practices (BMPs) listed are approved in MDE's Guidance or by the Chesapeake Bay Program (CBP) and are realistic to perform in the allotted time.</li> <li>• The County projects to complete one dry pond (BMP type "XDPD") in FY2019 that will provide a total ISRP treatment of 26 acres. MDE does not accept impervious acres treated by dry ponds because they provide little if any water quality treatment; this BMP should be removed from the County's ISRP. Alternatively, if this is a retrofit project, the County may claim credits but should identify the new BMP type.</li> <li>• The County is claiming cumulative credit for 40 equivalent acres septic</li> </ul>

**MDE’s Review of Howard County’s 2018 FAP**

<p>Actions to Meet Permit Requirements (cont.)</p>	<p>pumping (BMP type “SEPP”) to be implemented in FY2019 and FY2020.</p> <ul style="list-style-type: none"> <li>Howard County has not proposed using nutrient trading to meet restoration goals.</li> </ul>
<p>Annual and Projected Costs (“All Actions” and “ISRP Cost” worksheet)</p>	<ul style="list-style-type: none"> <li>In the “All Actions” worksheet, 45 acres of projected restoration has no associated costs. The associated BMPs include dry wells, micro-biorententions, and rain gardens.</li> <li>Over the next two fiscal years (FY2019-FY2020), the total cost per acre for projected restoration (excluding \$0 BMPs) is approximately \$36,198. This is a decrease from the total cost per acre for completed projects (\$42,957). The permit term (FY2011-FY2020) total cost per acre for completed and projected restoration efforts (excluding \$0 BMPs) is approximately \$46,028.</li> <li>In the “ISRP Cost” table, costs were reported for fiscal years within the permit term and all formulae were used correctly. The County did not project costs for FY2021-FY2023.</li> <li>The “ISRP Cost” worksheet indicates that the cost for the next two-years is \$27.4 million.</li> </ul>
<p>Annual and Projected Revenues (“ISRP Revenue” worksheet)</p>	<ul style="list-style-type: none"> <li>Revenues were reported for all required fiscal years and all formulae were used correctly.</li> <li>Howard County’s current permit expires on December 17, 2019 (i.e., the middle of FY2020). Accordingly, half of FY2020 is a projection beyond the permit term. The County did not project revenues for FY2021-FY2023.</li> <li>The County reported that revenue for FY2019 and FY2020 (\$25.2 million) is equal to the projected ISRP costs (\$25.2 million). However, as mentioned above, the “ISRP Cost” worksheet indicates that the two-year costs is \$27.4 million. Reported ISRP costs for the projected two years is \$25.2 million if excluding the two-year operating expenditures (i.e., \$2.2 million) for street sweeping, inlet cleaning, and debt service. The two-year ISRP Cost with those activities included is \$27.4 million.</li> </ul> <p>Additionally, the “Fund Sources” worksheet indicates that 100% of the projected funds for FY2019 and FY2020 (i.e., \$49.1 million) will be directed toward the ISRP. The two-year fund sources is substantially higher than the two-year ISRP Cost. Therefore, whether using the reported revenues and costs from the “ISRP Revenue” worksheet or using the reported amounts from the “Fund Sources” and “ISRP Cost” worksheets, the County’s FAP shows sufficient funding to cover the two-year cost of the ISRP.</p>
<p>Funding Sources (“Fund</p>	<ul style="list-style-type: none"> <li>Funds were reported for previous fiscal years and for FY2019-FY2020. All formulae were used correctly. The County did not provide projections for FY2021-FY2023.</li> <li>Sources of funds for the next two fiscal years include:</li> </ul>

**MDE's Review of Howard County's 2018 FAP**

<p>Sources' worksheet)</p>	<ul style="list-style-type: none"> <li>○ Stormwater Remediation Fees = \$23.1M</li> <li>○ Stormwater Revenue (Utility) Bonds = \$18.2M</li> <li>○ State Funded Grants = \$4.1M</li> <li>○ General Fund = \$3.7M</li> <li>○ Total Funding Sources = \$49.1M</li> </ul> <ul style="list-style-type: none"> <li>● For the next two fiscal years, the County projected that the majority of the annual funds for meeting permit requirements would be from stormwater remediation fees (47%) and from stormwater revenue (utility) bonds (37%).</li> <li>● The County is reported using \$26.1 million in general obligation bonds through the end of FY2018 (i.e., the majority of the permit term).</li> </ul>
<p>Specific Actions and Expenditures from Previous Fiscal Years ("Spec Actions" worksheet)</p>	<ul style="list-style-type: none"> <li>● Actions and expenditures were reported for all required fiscal years and all formulae were used correctly.</li> <li>● The County has reported actions that reflect restoration efforts completed between the expiration of its previous permit term and the end of FY2018. The total completed restoration is 1,871 acres and has a total cost per acre of \$42,957 (calculated without acres from \$0 BMPs).</li> <li>● The County reported treatment for 594 equivalent acres of stream restoration completed between FY2011 and FY2018.</li> <li>● The County is claiming cumulative credit for 159 equivalent acres of septic pumping (BMP type "SEPP") completed between FY2014 and FY2018.</li> <li>● The County reported credit for two dry ponds completed in FY2013 and FY2015 that will provide a total ISRP treatment of one acre. MDE does not accept impervious acres treated by dry ponds because they provide little if any water quality treatment; these BMPs should be removed from the County's ISRP. Alternatively, if these are retrofit projects, the County may claim credits but should identify the new BMP types.</li> <li>● One acre of credit is claimed for a FY2015 underground storage (UGS) facility and an additional 13 acres of credit is claimed for a FY2017 UGS. This a non-water quality BMP and the County may not claim credit for this practice. Removing these 14 acres of treatment from the UGS facilities reduces the completed restoration to 1,858 acres and the projected permit term restoration to 2,618 acres.</li> </ul>

