



Maryland

Department of the Environment

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

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

June 14, 2021
James Campbell, Planning Director
Charles County Department of Planning & Growth Management
P.O. Box 2150
200 Baltimore Street
La Plata, MD 20646

Dear Mr. Campbell:

This letter acknowledges the Maryland Department of the Environment's (Department) receipt of Charles County's 2020 Financial Assurance Plan (FAP), and 2020 Watershed Protection and Restoration Program (WPRP) Annual Report as required by the Annotated Code of Maryland. This FAP submission includes information on the cost of compliance with the impervious surface restoration plan (ISRP) requirements outlined in the County's National Pollutant Discharge Elimination System (NPDES) Phase I Municipal Separate Storm Sewer System (MS4) permit.

The ISRP, when sufficiently funded, is essential for restoring local water quality and the Chesapeake Bay, and providing climate resiliency in the County's watersheds. The FAPs are sufficient if they demonstrate 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 ISRP requirements of the County's MS4 permit.

After reviewing Charles County's 2020 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 2022 MS4 Annual Report.

The Department recognizes the substantial effort required in developing these FAPs and WPRP Annual Reports, and looks forward to working with Charles County on this very important environmental program for improving water quality, stormwater management, and climate resiliency. 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.

Sincerely,

D. Lee Currey, Director
Water and Science Administration

cc: Jennifer M. Smith, P.E., Program Manager, Sediment, Stormwater, and Dam Safety Program
Charles Rice, Charles County
Karen Wiggen, Charles County

Attachment

**Maryland Department of the Environment’s (MDE) Review of
Charles County’s 2020 Financial Assurance Plan (FAP)**

Plan Condition	MDE Assessment and Recommendations
<p>Demonstration of Sufficient Funding</p>	<ul style="list-style-type: none"> • Annotated Code of Maryland ENV § 4-202.1(j) requires Phase I Municipal Separate Storm Sewer System (MS4) permitted jurisdictions to submit the FAP every 2 years on the anniversary of the date of issuance of its permit. Charles County submitted the FAP to MDE on December 23, 2020. • A public hearing was held on October 27, 2020. County Commissioners voted to approve the FAP in Resolution No. 2020-31 on December 1, 2020. Copies of the Public Notice and the signed resolution were submitted with the FAP. • The “ISRP Revenue” table showed that in FY2021 and FY2022, annual revenue appropriated for restoration efforts would cover the annual cost for the next two years. The total projected revenue over the two-year period is 134% of the cost.
<p>Actions to Meet Permit Requirements (“All Actions” worksheet)</p>	<ul style="list-style-type: none"> • The County met the 20% ISRP requirement before the permit expired on December 25, 2019. The permit is currently administratively continued. • Specific best management practices (BMPs) were listed in the spreadsheet in various stages of planning and implementation. Over the next two years, 479 acres of restoration are projected to be completed, including 38 acres from annual operational BMPs, 435 from capitol projects, and 6 acres from other BMP types. During the next five years, the County plans to restore 727 acres. • In the “All Actions” and “Spec Actions” tables, the implementation cost was indicated as \$0 for septic denitrification, septic connections, and private shoreline stabilization. The Watershed Protection and Restoration Program tables submitted with the County’s 2020 stormwater program annual report indicated that septic denitrification activity in FY2020 was funded through a grant provided by the Maryland Department of Health (MDH). Future FAPs should indicate in the “All Actions” and “Fund Sources” tables if funding for this activity will come from the grant provided by MDH. Additionally, the County should indicate the source of funding for any other activity or specify that the activity has no cost, e.g., volunteer activity. • All formulas were filled out correctly, and all required fields were populated.
<p>Annual and Projected Costs (“All Actions” and “ISRP Costs” worksheet)</p>	<ul style="list-style-type: none"> • The cost per acre over the next five years is approximately \$51,500 for structural BMPs, and \$72,500 for operational BMPs. • The County planned a diverse mixture of BMP types over the next two years, including stream restoration, bioretention, extended wet detention, storm drain vacuuming, and septic denitrification. • Septic denitrification and septic connections were projected to have \$0 cost. • In the “ISRP Cost” table, costs were reported for all required fiscal years and all formulas were used correctly. For FY2021-FY2022, the County reports a total ISRP cost of \$14.7 million.

MDE’s Review of Charles County’s 2020 FAP

Plan Condition	MDE Assessment and Recommendations
<p>Annual and Projected Revenues</p> <p>(“ISRP Revenue” worksheet)</p>	<ul style="list-style-type: none"> • Revenues were reported for all required fiscal years, and all formulas were used correctly. • For the next two fiscal years, the projected annual revenue exceeds the cost (134%). Revenues were projected at \$19.8 million and there was a projected cost of \$14.7 million over the same period.
<p>Funding Sources</p> <p>(“Fund Sources” worksheet)</p>	<ul style="list-style-type: none"> • Funds were reported for all required fiscal years, and all formulas were used correctly. • The sum of funding sources exceeds the projected revenues for the next two years. Specifically, funding source for the next two years is 143% of the projected ISRP cost. • The majority of annual funds to meet permit requirements for the next two fiscal years will be funded by PAYGO sources (58%), including the stormwater utility fee (45%). Another significant portion will come from general obligation bonds (42%). Compared to previous years, this represents a significant shift to the dedicated utility fee. • No grant or loan sources were reported. • Sources of funds for the next two years include: <ul style="list-style-type: none"> ○ Stormwater Fees, Miscellaneous Fees, and Watershed Protection and Restoration Fund Balance = \$10.1M ○ Bonds = \$8.8M ○ Erosion and Sediment Control Fees = \$728K ○ Stormwater Maintenance Fees = \$728K ○ General Fund = \$600K ○ Total Funding Sources = \$20.9M
<p>Specific Actions and Expenditures from Previous Fiscal Years</p> <p>(“Spec Actions” worksheet)</p>	<ul style="list-style-type: none"> • The County reported specific BMPs completed starting in calendar year 2020, since the expiration of its previous permit term. • A total 274 acres of restoration was completed up to the present at a cost of approximately \$22,900 per acre. • Actions and expenditures were reported for all required fiscal years, and all formulas were used correctly.