

The public hearing began at 10:05 AM, on May 12, 2017. Elaine Dietz, Chief of the Capital Planning and Financing Division for the Maryland Water Quality Financing Administration (MWQFA), was the Hearing Officer.

AGENCY PRESENTATION:

Please refer to Attachment 1 for the hearing sign-in sheet for a list of all hearing attendees.

PURPOSE:

In accordance with the requirements of the federal Clean Water Act and the Safe Drinking Water Act, this public hearing is being held at the offices of the Maryland Department of the Environment (MDE) located at 1800 Washington Blvd, Baltimore, Maryland 21230.

The purpose of this hearing is to present documents and hear testimony concerning: (1) the State's Draft Federal Fiscal Year (FFY) 2017 Intended Use Plan (IUP) and Draft FFY 2017/State Fiscal Year (SFY) 2019 Project Priority List (PPL) for the Maryland Water Quality Revolving Loan Fund (WQRLF) and (2) the State's Draft FFY 2017 IUP and Draft FFY 2017/SFY 2019 PPL for the Maryland Drinking Water Revolving Loan Fund (DWRLF).

The public record remained open through the close of business on May 19, 2017.

INFORMATION AVAILABLE:

Documents available for viewing at the hearing included the draft IUPs and PPLs for the Maryland WQRLF and the Maryland DWRFL. These documents were referred to during the public hearing.

PUBLIC NOTICE/ADVERTISEMENT:

Notice of the public hearing was published on MDE's web page. In addition, an e-mail containing notification of the public hearing was sent to a contact list of over 600 individuals, including applicants who submitted an FFY 2017/SFY 2019 Financial Assistance Application and others requesting a copy.

FFY 2017 FEDERAL BUDGET STILL PENDING:

The final FFY 2017 federal budget is still pending and the federal funding amounts below and in the IUPs are estimates, assuming continuing resolutions funding the WQRLF and the DWRLF at the FFY 2016 level. Maryland recognizes that the final federal funding for FFY 2017 may change, in which case any shortfall in federal funding and State match will be funded by additional other funds (such as loan repayments, investment earnings, and sale of revenue bonds) to produce the total capital funding anticipated in the IUPs.

FFY 2017 WQRLF IUP

The Draft WQRLF IUP describes how the annual federal capitalization grant, matching State funds, and “recycled funds” (funds that return to the Revolving Loan Fund for new loans from loan repayments) will be used for the design and construction of water quality capital projects pursuant to Title Six of the Clean Water Act. For FFY 2017, the State assumed a federal grant of \$33 million for its WQRLF, which must be matched by \$6.6 million (20%) in State funds. Including other funds (such as loan repayments, investment earnings, and sale of revenue bonds) in the net amount of \$210.4 million, the total capital funding under this IUP is estimated to be \$250 million.

FFY 2017 DWRLF IUP

The Draft DWRLF IUP describes how the annual federal capitalization grant and matching State funds will be used for the design and construction of drinking water capital projects to implement the requirements of the federal Safe Drinking Water Act. For FFY 2017, the State assumed a federal grant of \$10.30 million for its DWRLF and set-asides. The federal funds would be matched with \$2.82 million (20%) in State funds. Including other funds (such as loan repayments, investment earnings, and sale of revenue bonds) in the net amount of \$16.88 million, and excluding federal set-aside funds in the amount of \$3.81 million, the total capital funding under this IUP is estimated to be \$30 million.

SFY 2019 PPLs

The two Draft PPLs were developed using applications received from potential borrowers through the solicitation efforts undertaken in December 2016 through January 2017 for both the WQRLF and the DWRLF. Projects were rated and ranked based on public health and water quality benefits, consistent with two approved Project Priority Systems. With the exception of nonpoint source projects, projects for which loan funds are ultimately provided must be consistent with Smart Growth, local land use plans, and County Water and Sewerage plans; additionally, drinking water systems must have the financial, managerial, and technical capacity to maintain Safe Drinking Water Act compliance.

ADDITIONAL APPLICATIONS/REQUESTS FOR FUNDING/COMMENTS

The Department acknowledged the following comments received and/or changes made to the Draft FFY 2017 and SFY 2019 Clean Water and Drinking Water PPLs and Draft Clean Water and Drinking Water IUPs since the start of the public comment period:

Clean Water Projects

Ms. Leslie Grunden (Caroline County) provided clarification regarding the number of existing homes to be connected to public sewer in the Greensboro-Goldsboro Regional Wastewater Phase 5 project (rank #5/73 points), which resulted in the WQRLF amount being adjusted downward to \$236,300 loan and \$236,300 loan principal forgiveness.

Mr. Brian DeMoss (President, Commissioners of Barclay) requested that the Barclay Sewer Development (rank #43/35 points) – a project to be undertaken with Town of Sudlersville - be funded.

Mr. Stephen Engleson (St. Mary's Metropolitan Commission) requested that the Great Mills Wastewater Pumping Station Upgrade project (rank #78/13 points) be considered for \$7,691,370 loan.

Mr. Donald H. Mulrine, Jr. (Town of Denton) requested that the Denton Disinfection and System Upgrades project (rank #80/13 points) be considered for \$1.3 million loan and \$600,000 Bay Restoration Fund.

Mr. Joseph Seehusen (Maryland Department of Housing and Community Development) requested that 1) the Maryland Department of Housing and Community Development Energy Fund – Disadvantaged Communities project (rank #89/5 points) be considered for \$9 million loan and 2) the Maryland Department of Housing and Community Development Energy Fund – Non-Disadvantaged Communities project (rank #90/5 points) be considered for \$6 million loan.

Drinking Water Projects

Mr. Anthony Stockus (Somerset County Sanitary District) requested that the Mariner's Road Water Association project (rank #20/65 points) be considered for \$1,006,720 loan, should a higher ranking project not be ready to proceed to construction.

All comments received will be responded to in writing.

TESTIMONY

No formal testimony was offered.

Copies of all records pertaining to the public hearing process are available at the offices of MDE, 1800 Washington Blvd., Baltimore, Maryland 21230. Telephone inquiries may be made to Elaine Dietz at (410) 537-3908.

The public hearing concluded at 10:15 AM.

ATTACHMENTS:

Hearing Sign-In Sheet