

## **BAY RESTORATION FUND ADVISORY COMMITTEE**

**Maryland Department of the Environment**

**Thursday, July 10 · 1:00 – 3:00pm**

**Google Meet joining info**

**Video call link: <https://meet.google.com/ued-aoyw-ugm>**

**Or dial: (US) +1 316-746-4312 PIN: 741 284 209#**

**And Remain Muted Unless Speaking**

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### **Meeting Agenda**

- Introduction – Chris Murphy, Committee Chairman
- Approve previous meeting minutes – Chris Murphy, Committee Chairman
- Update on Major and Minor WWTPs ENR Implementation – Walid Saffouri, MDE
- Update on the Whole Watershed Act Implementation - Shelly Baird, DNR
- Update on Cover Crops Activities – Jason Keppler, MDA
- Update on Onsite Sewage Disposal Systems (OSDS) – Paul Emmart, MDE
- Update on BRF Fee Collection and Budget – Paul Emmart, MDE
- Next meetings and other administrative issues to be discussed with the committee – Chris Murphy, Committee Chairman
- 2025 Next Pre-Scheduled Meetings: October 9<sup>th</sup>  
December 11<sup>th</sup>
- ADJOURNMENT

# **BAY RESTORATION FUND ADVISORY COMMITTEE**

**Maryland Department of the Environment**

**Virtual Meeting**

**April 10, 2025**

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## **Meeting Minutes**

### **Welcome/Introduction**

- The meeting was opened by Mr. Murphy, the Chairman of the Bay Restoration Fund Advisory Committee.
- Mr. Murphy welcomed the committee members and other attendees.

### **Review of Meeting Minutes**

- Previous meeting minutes, from the December 12, 2024 meeting, were shared with the committee members for their review and comments. An electronic copy of the meeting minutes was also e-mailed to the committee members prior to the meeting.
- Mr. Murphy asked if anyone had any questions, comments, or a motion to approve. The minutes were approved, and they will be posted on the web.

### **I. Update on the Legislative Session:**

- Mr. Knapp provided an update on the 2025 legislative session, which ended on Monday (April 7, 2025). As always, it was 90 days of what most people call controlled chaos. This was really a challenging session. They dealt with 2,600 bills and 12 joint resolutions. They were facing a \$3 billion budget deficit. Also, there's obviously a lot of ongoing federal uncertainty and more to come with that. Energy issues were a huge focus of this session. Next year is an election year, so some of the more blatant political strains also started to emerge of what we might see for the next year. And finally, chromite, after many years of trying, became the official state mineral. With all these issues, the BRF largely flew under the radar. So, there wasn't a lot of targeted legislation for the BRF.
- In House Bill 350, the operating budget bill, there were three appropriations it carried through for the BRF. \$50 million went into the wastewater fund, \$15 million for the septic fund, and \$28 million was appropriated for debt service. This never came under significant discussion or contention, which is a good thing, especially in this challenging budget climate.

- There was only one bill (House Bill 131/Senate Bill 117) passed that directly affected the BRF and specifically the septic system program and subaccount within the BRF. First, the bill creates a new septic system funding prioritization. The first priority, as per current law, is the failing system and holding tanks located in the Chesapeake and Atlantic Coastal Base critical area (no change to this priority). A new second priority is failing systems located within a Maryland-Chesapeake Bay eight-digit watershed that has a relative effectiveness for total nitrogen reduction of 9.24 or higher based on the Chesapeake Bay Watershed model. The new third priority, failing systems located within the 500-year flood plain. And then the existing law priority, which is now the fourth priority, is failing systems that MDE determines are a threat to public health or water quality. These new priorities seem very specific possibly to make the BRF a little more flexible by allowing for more funding opportunities in more counties.
- The second main change that the bill makes, is it expands MDE's ability to cover costs for repairing and replacing a failing or on-site sewage disposal system with a system that uses BAT for moderate income homeowners as defined by MDE. Right now, we're limited to low-income homeowners. We have seen some instances where the homeowner cannot bring enough money to the table to allow the project to proceed. So, this allows for some more funding flexibility that MDE felt was a reasonable approach.
- The last change by the bill is related to the hard date for funding eligibility. To be eligible under the current law, you must have a septic system installed as of October 1, 2008, or for a community system we see that certificate of occupancy for the homes that were being served by the system by October 1, 2008. As time has moved forward, we were seeing some circumstances where there were valid, worthy projects that were ineligible for funding only because the system might have been installed just after 2008 and had lived its natural lifespan of roughly 15 years but was not eligible for BRF funding by the current law. So, the bill modified the law to make it a rolling date, basically 15 years prior from the current date.
- Mr. Knapp added that this is a pivotal moment that in the next couple of years there needs to be more focus on the Bay Restoration Fund. The funding levels are set to sunset. It has unquestionably been a beneficial and nationally recognized funding model for septic systems, wastewater treatment plant upgrades, and stormwater, which is likely to play a more important role than it has in the past. So, how that should move forward is going to be subject to debate.
- Mr. Murphy asked whether there was any change in the funding levels as compared to last year under House Bill 350. Mr. Knapp responded no.
- Mr. Murphy asked whether House Bill 131 disallows using BRF funds for functioning septic systems to upgrade to BAT systems or to connect to sewer since everything listed in the bill was for a failing septic system. Mr. Knapp responded that none of those specific issues are changed by the bill. So, those are still fundable, but they're just farther down in the priority list.

- Mr. Murphy asked whether there is a fear that any of the federal funding allocated under the Bipartisan Infrastructure Law (BIL) will be canceled by the new administration. Mr. Knapp responded that he didn't have any hard information on that, but given the actions, funds that are not encumbered would be at risk. Funds that are encumbered, I still would try to move those projects through as quickly as possible. Mr. Murphy asked about the future funds authorized under (BIL). Mr. Knapp responded that there could be a 50-50 chance of whether these funds will get pulled back or whether they're allowed to go through.

## **II. Update on Major and Minor WWTPs ENR Implementation:**

- Mr. Saffouri provided an update on the ENR implementation. We have no change in the status since the last meeting, but some projects are very close. For example, Rock Hall has opened the bids, which is good news. But the bad news, the low bid came at about 28 percent above the estimates. The contractor is saying that they're worrying about the tariffs, so they must account for potential impact of the tariffs. We hope that this is not going to be a trend. We're working with WIFA to see if we can provide additional funding for the project and get it to proceed to construction. In terms of the projects that are under construction, all three of them are moving at a very good pace. Twin City has moved from 91% to 96%, Smith Island went from 63% to 86%, and Elk Neck State Park went from 54% to 90%.

## **III. Update on the Whole Watershed Act Implementation:**

- Ms. Baird provided an update on the implementation of the Whole Watershed Act. The legislative bill passed as a five-year pilot program to target five watersheds to accelerate restoration in these watersheds. The Whole Watershed program partnership is coordinated by a state management team, which consists of six different state agencies. The team is chaired by the Department of Natural Resources, and it has membership from Chief Resilience, Department of Ag, Department of Environment, Critical Area, and Department of Planning. The RFP went out last Fall. Nine watersheds applied in December. Since then, the state management team, along with technical advisers, reviewed the applications from those nine watersheds, and selected five watersheds. The selection included watersheds that represented various sectors, including at least one urban, one suburban, two agricultural, at least one with projects with an adjoining state, and at least two watersheds that were serving overburdened or underserved communities. The selected watersheds were Antietam Creek as number one, Baltimore Harbor, Newport Bay, Severn River, and Upper Choptank. Each of these five watersheds will receive \$2 million in implementation funds. There is a 50% match required. The agricultural funding will be managed separately, and in addition to the \$2 million per watershed. The Ag Cost Share Program and the Land Preservation Fund will operate the Ag funds using their traditional process. In July, we will be able to share what actual projects will be funded this first year.

#### **IV. Update on Cover Crops Activities:**

- Mr. Saffouri advised the committee that Mr. Keppler was unable to attend the meeting and shared with them an email from Mr. Keppler that provided an update on Cover Crops. Due to a combination of weather and lower wheat prices, farmers planted a record number of acres through the MDA program. In FY25 nearly 500,000 acres were certified this Fall. This represents an estimated total cost of \$32 million in potential payout. Approximately \$7.7 million in Fall payments have been processed, and Spring termination certification is currently underway. To accommodate the unanticipated increase in enrollment, MDA has been able to leverage existing funding sources from EPA, CBRAP, and DNR Trust Fund. Mr. Keppler would be glad to take any questions from the committee through email.

#### **V. Update on Onsite Sewage Disposal Systems (OSDS):**

- Mr. Emmart provided an update on the Onsite Sewage Disposal Systems (OSDS) program for FY25. Through March 31<sup>st</sup>, we have 297 BAT septic upgrades and 28 sewer connections. These are slightly lower than last year's numbers. Last year at the same meeting and on the same date, we had 375 upgrades instead of 297 and 31 sewer connections instead of 28. We don't know the reason for the lower numbers, but we wouldn't say that that's off track.
- Mr. Murphy asked whether the lower number of BAT installations was due to inflation, so that we're able to do less with the same amount of money. Mr. Emmart responded that he would have to get back to him with an answer.
- Mr. Bozick stated that at least in Wicomico County the lower number of on-site disposal systems replaced could be because in the past couple of winters we have not had wet season winters, so the number of septic tanks permitted has gone down and so the installations. Once we have a wet season, we can test more sites and then receive more permits.

#### **VI. Update on BRF Fee Collection and Budget:**

- Mr. Emmart provided an update on the BRF Fee Collection and Budget for FY25. Through March of 2025, our revenues to date for the wastewater fund are \$63 million, which are higher than we had last year at the same time. Last year (FY24) in the third quarter we had \$51.8 million. In FY24, even though it was \$51.8 million in the third quarter, it caught up and nearly doubled by the end of the year with a total of \$103 million. For the septic fund, so far this year we have had \$23.6 million in total revenue, which is almost the same as last year. Of that, \$14.2 million for septic upgrades, and \$9.4 million for the cover crop program. Last year's septic total revenues were about \$30 million, so we can predict that this year's septic revenues to be between \$28 and \$30 million, which is the usual amount on an annual basis. The program grand total for the septic fund is about \$462 million. It is about \$1.8 billion for the BRF wastewater fund.

- Mr. Murphy expressed his concern about FY24 revenues for BRF-Wastewater being down to \$103 million. The usual annual revenues have been around \$114 to \$115 million. Mr. Emmart agreed and stated that he will continue to reach out to the Comptroller's Office to get an answer to this question.

## **VII. Other Discussions:**

- Mr. Bozick advised the committee that the new Ewell Wastewater Treatment Plant (with the ENR process) serving Smith Island is in operation, treating and discharging wastewater. It started on March 17, 2025.
- Mr. Sandi advised the committee that MDE is working on a suite of outreach tools to promote the Bay Restoration Fund in terms of its efficacy and the fact that in 2030 it's due to sunset to about 50%. So, as part of our efforts for the overall Bay work it is to present here for the advisory committee to think about and provide feedback. As Mr. Murphy mentioned earlier, the BRF wasn't adjusted to inflation in 15 years when the last legislative action was taken. Our initial thoughts were to highlight where money is coming from, where it's going, and types of projects being funded so that our legislature can see the good in their own districts of the BRF to promote that this isn't just like a fee that goes nowhere. It does things that are important for their constituents.
- Mr. Murphy asked whether this means that in 2031 the BRF fee will go back down from \$60 to \$30 a year. Mr. Sandi responded yes it will be cut in half.
- Mr. Murphy suggested that MDE must show how costs have inflated over the years and what the value of the work the BRF does. Also, we need to show the value of the Bay and how we need to invest in it. D.C. Water did something about how the value of water and sewer infrastructure is for the whole entire economy. That was very powerful. So, if we could do something like that for the BRF. Mr. Murphy expressed full support for this idea.
- Ms. Maguire suggested that MDE should highlight all the successes and pull it down to the sub-watershed level and show how it's impacting rivers and streams as well, and not just the Bay. Mr. Sandi agreed.

**VIII.** Mr. Murphy reminded the Committee members that the next meeting will be held on July 10<sup>th</sup>.

### **Materials Distributed at the Meeting**

- Meeting Agenda
- Previous Meeting Minutes
- 2025 Session Update – BRF
- Wastewater Treatment Plants ENR Upgrade Status
- Whole Watershed Program
- BRF Septic Program Funded Installations
- Distribution of Bay Restoration Fee

### **Attendance**

#### **Advisory Committee Members or Designees Attending:**

Chris Murphy, Anne Arundel County DPW, Committee Chairman  
Suzanne Dorsey, Deputy Secretary, Maryland Department of the Environment  
Lee Currey, Maryland Department of the Environment  
Jason Wardrup, Maryland Department of Budget and Management  
Paul Emmart, Maryland Department of the Environment  
Walid Saffouri, Maryland Department of the Environment  
Ellen Mussman, Maryland Department of Planning  
Doug Abbott, Easton Utilities  
Bob Buglass, Washington Suburban Sanitary District  
Shelly Baird, Department of Natural Resources  
Gussie Maguire, Chesapeake Bay Foundation

#### **Others in Attendance:**

Mary Sheppard, Office of the Attorney General  
Matthew Klein, Department of Legislative Services  
Kurt Fuchs, Easton Utilities  
Andrew Gray, Department of Legislative Services  
Peter Bozick, George Miles & Buhr  
Kathleen Kennedy, Department of Legislative Services  
Dana Reiss, Department of Natural Resources  
Grace Weeks, Barton & Loguidice

#### **Maryland Department of the Environment (MDE) Attendees:**

Kathy Stecker	Greg Sandi
Sunita Boyle	Garon Lizana
Rajiv Chawla	Les Knapp
Mehdi Majedi	

## Wastewater Treatment Plants ENR Upgrade Status

(July 10, 2025)

### Major WWTPs

#### Previous Meeting

66 facilities are in operation  
0 facility is under construction  
1 facility is in planning  
67 total

#### Current

66 facilities are in operation  
0 facility is under construction  
1 facility is in planning  
67 total

#### Status Changes Since Previous Meeting:

- No status change.

### Minor WWTPs

#### Previous Meeting

16 facilities are in operation  
3 facilities are under construction  
8 facilities are in design  
8 facilities are in planning  
35 total

#### Current

16 facilities are in operation  
3 facilities are under construction  
9 facilities are in design  
7 facilities are in planning  
35 total

#### Status Changes Since Previous Meeting:

- Town of Trappe has progressed to design

#### Percentage completion for facilities under construction for ENR Upgrade:

Facility	Previous Meeting Percentage Complete	Current Percentage Complete
Twin Cities	96%	96%
Smith Island	86%	91%
Elk Neck State Park	90%	92%



**BRF Septic Program**  
**Funded Installations FY25 to Date**  
**July 1, 2024 - June 30, 2025**

County	Total approvals from Fiscal Year 25 Grant From 7/1/24-6/30/2025	
	# Septic Systems funded FY 25	# Sewer Connections funded FY 25
Allegany (CVI)	0	2
Anne Arundel	136	7
Baltimore	23	7
Calvert	59	0
Caroline	11	0
Carroll (CVI)	4	0
Cecil	31	12
Charles	10	0
Dorchester	36	3
Frederick (CVI)	1	0
Garrett	3	0
Harford	13	5
Howard (CVI)	0	4
Kent	15	0
Montgomery (CVI)	6	2
Prince George's	0	0
Queen Anne's	18	0
Somerset	11	0
St. Mary's	28	3
Talbot	16	2
Washington (CVI)	6	0
Wicomoco	3	0
Worcester	0	0
Totals	430	47

**Comptroller of Maryland**  
**Distribution of Bay Restoration Fee**  
**Fiscal Year 2025**

	MD Dept of Environment			
<u>Line 1:</u>				
4/05 - 6/05:				
Total Fiscal Year 2005	\$	7,022,667.18	Total Fiscal Year 2006	\$ 57,686,674.75
Total Fiscal Year 2007	\$	69,141,379.76	Total Fiscal Year 2008	\$ 54,695,910.00
Total Fiscal Year 2009	\$	53,339,463.89	Total Fiscal Year 2010	\$ 54,398,088.37
Total Fiscal Year 2011	\$	55,461,809.59	Total Fiscal Year 2012	\$ 55,971,051.91
Total Fiscal Year 2013	\$	102,145,356.32	Total Fiscal Year 2014	\$ 110,688,785.91
Total Fiscal Year 2015	\$	109,796,411.58	Total Fiscal Year 2016	\$ 124,301,135.01
Total Fiscal Year 2017	\$	115,989,051.47	Total Fiscal Year 2018	\$ 115,308,016.48
Total Fiscal Year 2019	\$	107,545,498.54	Total Fiscal Year 2020	\$ 121,185,706.78
Total Fiscal Year 2021	\$	98,087,149.34	Total Fiscal Year 2022	\$ 119,371,455.88
Total Fiscal Year 2023	\$	114,847,299.86	Total Fiscal Year 2024	\$ 103,736,978.66
Total Fiscal Year 2025	\$	85,618,084.09	Total Fiscal Year 2026	
August 2024	\$	-		
September				
October		30,020,844.67		
November				
December		6,276,901.84		
January 2025				
February		25,079,164.30		
March		1,717,293.32		
March		17,418.68		
April				
May		22,506,461.28		
FM13				
FM13				
Total FY 2025	\$	85,618,084.09		
Program Grand Total	\$	1,836,337,975.37		

Line 2:	MD Dept of Environment	MD Dept of Agriculture	Total Line 2
4/05 - 6/05			
Total Fiscal Year 2005 60% MDE 40% MDA	\$ 156,580.00	\$ 104,386.66	\$ 260,966.66
Total Fiscal Year 2006 60% MDE 40% MDA	\$ 4,782,770.15	\$ 3,188,513.44	\$ 7,971,283.59
Total Fiscal Year 2007 60% MDE 40% MDA	\$ 8,094,089.27	\$ 5,396,059.51	\$ 13,490,148.78
Total Fiscal Year 2008 60% MDE 40% MDA	\$ 8,489,069.61	\$ 5,659,379.72	\$ 14,148,449.33
Total Fiscal Year 2009 60% MDE 40% MDA	\$ 9,484,117.74	\$ 6,322,745.15	\$ 15,806,862.89
Total Fiscal Year 2010 22.4% MDE 77.6% MDA	\$ 3,118,419.66	\$ 10,803,096.68	\$ 13,921,516.34
Total Fiscal Year 2011 60% MDE 40% MDA	\$ 8,173,632.20	\$ 5,449,088.14	\$ 13,622,720.34
Total Fiscal Year 2012 60% MDE 40% MDA	\$ 8,271,087.10	\$ 5,514,058.08	\$ 13,785,145.18
Total Fiscal Year 2013 60% MDE 40% MDA	\$ 15,992,799.08	\$ 10,661,866.06	\$ 26,654,665.14
Total Fiscal Year 2014 60% MDE 40% MDA	\$ 16,801,348.71	\$ 11,200,899.10	\$ 28,002,247.81
Total Fiscal Year 2015 60% MDE 40% MDA	\$ 17,456,798.39	\$ 11,637,865.59	\$ 29,094,663.98
Total Fiscal Year 2016 60% MDE 40% MDA	\$ 17,311,866.76	\$ 11,541,244.49	\$ 28,853,111.25
Total Fiscal Year 2017 60% MDE 40% MDA	\$ 17,113,840.66	\$ 11,409,227.10	\$ 28,523,067.76
Total Fiscal Year 2018 60% MDE 40% MDA	\$ 17,811,270.90	\$ 11,874,180.60	\$ 29,685,451.50
Total Fiscal Year 2019 60% MDE 40% MDA	\$ 16,883,720.52	\$ 11,255,813.67	\$ 28,139,534.19
Total Fiscal Year 2020 60% MDE 40% MDA	\$ 17,397,453.75	\$ 11,598,302.51	\$ 28,995,756.26
Total Fiscal Year 2021 60% MDE 40% MDA	\$ 16,989,802.10	\$ 11,326,534.72	\$ 28,316,336.82
Total Fiscal Year 2022 60% MDE 40% MDA	\$ 18,553,175.61	\$ 12,368,783.78	\$ 30,921,959.39
Total Fiscal Year 2023 60% MDE 40% MDA	\$ 16,949,975.95	\$ 11,299,984.02	\$ 28,249,959.97
Total Fiscal Year 2024 60% MDE 40% MDA	\$ 18,341,974.14	\$ 12,227,982.76	\$ 30,569,956.90
Total Fiscal Year 2025 60% MDE 40% MDA	\$ 15,913,109.25	\$ 10,608,739.50	\$ 26,521,848.75
Fiscal Year 2025	60%	40%	Total
August 2025	\$ -	\$ -	\$ -
September	-	-	-
October	7,605,518.44	5,070,345.63	\$ 12,675,864.07
November			
December	2,940,391.87	1,960,261.25	\$ 4,900,653.12
January 2026			\$ -
February	2,587,838.96	1,725,225.97	\$ 4,313,064.93
March	1,039,170.06	692,780.04	\$ 1,731,950.10
April			
May	1,740,189.92	1,160,126.61	\$ 2,900,316.53
FM13			
FM13			
FM13			
Total FY 2025	\$ 15,913,109.25	\$ 10,608,739.50	\$ 26,521,848.75

Program Grand Total	\$	<u>274,086,901.55</u>	\$	<u>191,448,751.28</u>	\$	<u>465,535,652.83</u>
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