

# Anne Arundel County Financial Assurance Plan to Meet the Requirements of the NPDES Municipal Separate Storm Sewer System (MS4) Permit

*December 22, 2020*

## Executive Summary

### Introduction

Anne Arundel County's NPDES MS4 permit, issued February 12, 2014, requires that the County complete restoration efforts to achieve the equivalent of treating 20% of the impervious surfaces not previously restored to the maximum extent practicable. The County's baseline, which has been previously approved by MDE, identifies 29,311 acres with either no or partial management, requiring the equivalent of 5,862 acres to be restored to meet the 20% criteria by the end of the permit term in February 2019. Through the identification and inspection, during the current permit term, of stormwater practices installed prior to the inception of this permit, Anne Arundel County has revised its baseline to 24,981 acres with either no or partial management, requiring the County to treat 4,996 acres to meet the 20% threshold of restoration.

The submission of Anne Arundel County's Financial Assurance Plan (FAP), as well as the submission of the Bureau of Watershed Protection and Restoration (BWPR) annual report, is required for compliance with Maryland Environment Article §4-202.1. The attached FAP is submitted to show that the County has the financial means to achieve the permit requirements. This FAP addresses the activities completed by the County's BWPR from FY14 through FY20, and the planned and programmed activities from FY21 through FY25.

The completion and submission of the FAP is required every two years with this first submittal due on July 1, 2016. This, the third FAP, is to be submitted on or before the anniversary date of the County's NPDES MS4 Permit (February 12, 2021). This change was made by MDE to synchronize the reporting process. Going forward, the next FAP will be provided in 2 years, and is to be submitted on or before February 12, 2023.

According to the requirements for completing the attached FAP, all restoration activities completed by June 30, 2020 are classified as completed activities and their actual costs are reported. These activities include a variety of projects with a variety of funding sources as described below.

- CIP projects from Stormwater Runoff Controls and Water Quality Improvement classes that were completed in FY14 and FY15:
  - Several of these projects incurred costs prior to WPRP implementation, with construction completed in FY14 or FY15. These restoration projects were included in the NPDES MS4 reports for FY14 and FY15, and were funded by grants, general fund County bonds, and WPRF bonds, or a combination of these sources.

- CIP projects from the Watershed Protection and Restoration Program class that were completed in FY14 through FY20:
  - Some of these projects had design contracts that were initiated from within the Stormwater Runoff Controls and Water Quality Improvement classes, but were completed through the County’s WPRP class of CIP projects. All restoration project contracts completed out of the WPRP class were funded by WPRF bonds, but any prior work associated with other CIP classes may also include grants and general fund County bonds as funding sources.
- Operating budget funded restoration projects include ongoing street sweeping, inlet cleaning, and septic pumping:
  - Street sweeping and inlet cleaning are funded out of the BWPR operating budget.

Other restoration actions include septic system connections to water reclamation facilities (WRFs), septic system upgrades to denitrification systems, and restoration projects completed by non-governmental organizations (NGO). Septic system upgrades to denitrification systems are funded through Bay Restoration Fund grants. Costs for septic system connections to the sanitary sewer system are managed through the County’s Bureau of Utilities; WPRF funds are not expended for this activity. Funding for restoration projects completed by NGOs include both County WPRF funds made available through the ongoing BWPR grant program, and grant funding to the NGOs from other entities resulting in no cost to the County.

Projections are also made for programmed projects that will be completed by June 30, 2025 (end of FY25). Programmed projects not completed by June 30, 2020 are classified as either under construction, planned, or proposed. Projects considered “under construction” were in the construction phase as of the end of FY20, and are anticipated to be complete at the end of FY21. “Planned projects” are those activities where a design contract has been issued by June 30, 2020. “Proposed projects” include restoration activities that had been identified by County project managers but design work has not been initiated. Projections are also included for the ongoing operating activities and other restoration actions, as well as the addition of septic pumping performed by local contractors. Septic pumping can provide credit for the County and requires no general fund or WPRF fund expenditures.

Included in the FAP are cost and revenue information. Costs identified include the operating costs for the BWPR, debt service on WPRF bonds, and the County’s BWPR grant program to fund restoration projects completed by non-governmental agencies for which the County takes equivalent impervious treatment credits. Actual costs are reported for FY14 through FY20, and budgeted costs are included for FY21-FY25. These budgeted costs were obtained from the County Budget Office’s WPRF Affordability Model and Capital Budget Program.

**Sources of Funds to Meet the MS4:**

A variety of funding sources (revenue) are recognized in this FAP. WPRF revenues include actual stormwater fee revenue amounts for FY14 through FY20, and projected revenues for FY21-FY25. These revenue projections assume no stormwater fee increases over this time frame and include an adjustment for a 1% increase in ERU due to development.

Grant sources include State funded grants for CIP restoration projects (e.g., MD DNR Chesapeake Bay Trust Fund) as well as BRF grants. The County’s BWPR program is actively

pursuing additional grant opportunities for future projects, and it is anticipated that the use of grant funds will allow additional CIP restoration projects, not currently included as part of this FAP, to occur.

The attached FAP indicates that approximately 5,112 acres, or 20.5%, of restoration was completed by the end of FY20, which is 7 months prior to the end of the current, administratively extended, NPDES MS4 permit term.

**Projected Annual and 5-Year Costs and Revenues to Meet the MS4:**

Total program projected restoration and MS4 compliance activity costs through FY25 are \$530 million, and \$611 million in revenue is expected, which demonstrates that the funding sources enumerated in the FAP are adequate to meet the permit requirements, treating approximately 9,631 impervious acres, which is estimated to be sufficient to cover the restoration requirements of the next, currently pending, MS4 permit.