

**Howard County, Maryland**  
**Watershed Protection and Restoration Fund**  
**Annual Report to the County Council**  
**March 1, 2016**



**Office of Community Sustainability**  
**Department of Public Works**  
**Department of Finance**

[www.cleanwaterhoward.com](http://www.cleanwaterhoward.com)

## **FY 14 Watershed Protection and Restoration Fund Report**

### **Table of Contents**

1. Background	3
a. Program Fundamentals	5
2. Maryland Environmental Article Report	7
3. Financial Data	8
a. Fee Collection	8
b. Personnel Complement Funded by Fee	8
c. Annual Financial Report (CAFR FY15)	9
d. Stormwater Capital Project List	10
4. Incentive Reimbursements and Credits	14
5. Adjustments	16
6. Fee Assistance and Hardship Credits	16
7. Recommendations	16

## 1. Background

Efforts to clean up the Chesapeake Bay watershed have been underway for the better part of the last 35 years. For most of that time the activities were undertaken on a voluntary basis; however, over the last 15 years the United States Environmental Protection Agency (EPA) and Maryland Department of the Environment (MDE) stepped up the effort by mandating clean up goals in the form of Municipal Separate Stormwater Sewer System (MS4) permits and more recently with the adoption of Total Maximum Daily Loads (TMDL's) and corresponding Watershed Implementation Plans (WIP). Each jurisdiction has been charged with implementing programs that, based on science and modeling projections, will meet clean-up goals by 2025. These new MS4 mandates could not be met with historic program expenditures and therefore a significant infusion of new funds was necessary to reach the goals in the required timeframe.

Before these latest mandates, Howard County, like most jurisdictions in Maryland, had a respectable stormwater management program underway. However, the level of effort fell short of the activity necessary to meet the new permit requirements. Recognizing the need for increased funding, the County considered implementing a stormwater fee as part of the FY 12 budget. However, after reviewing the complexity of the effort and the limited timeframe in which to do it, the County Executive instead chose to jump-start the program with an increase of capital program funding from \$3 million to \$10 million while also setting aside funding to hire a consultant to assist in the development of a comprehensive stormwater service fee.

In the late summer of 2011, AMEC, Inc was hired to assist the County in the creation of a stormwater fee. Soon after, a new position of Stormwater Manager was added to the Office of Environmental Sustainability (OES, now Office of Community Sustainability, OCS) to guide policies and practices associated with an expanded stormwater program. Research, data collection and stormwater program assessment began in earnest in Fall 2011 and continued through the winter with the expectation that a stormwater fee proposal would be presented to the County Executive for consideration in the FY 14 budget.

Midway through the County's fee program effort, the Maryland Legislature passed HB 987, which required the ten Phase 1 MS4 Stormwater Permit jurisdictions to adopt a funding mechanism no later than July 1, 2013. Fortunately Howard County was well along the way in the development of a fee and despite some necessary changes in direction due to the requirements of HB 987, county staff, with the assistance of a resident-based Stormwater Advisory Committee, evaluated all the program needs, calculated anticipated costs, and developed a utility fee structure to meet our financial obligations in a manner that was believed to be fair and equitable to all community sectors.

In January 2013, legislation was introduced that defined the mechanisms to charge a watershed protection fee to all property owners in Howard County. After considerable discussion, in March 2013, the Watershed Protection and Restoration Fund (WPRF) was adopted by the County Council. However, based on a subsequent concern about the impact on the residential sector, in May 2013, at the request of the County Executive, amendments were introduced to modify the charge to the residential parcels. In July 2013, amendments to the fee were adopted by the County Council that reduced the charges from the residential sector. The first billing was included on the December 2013 property tax bill to both residential and non-residential property owners. The fee amounts remained consistent, however, billing moved to July 1 in 2014 and 2015 for accounting ease.

In May 2015, SB 863 Watershed Protection and Restoration Programs – Revisions repealed the mandate that local jurisdictions collect a watershed protection and restoration fee. SB 863 authorizes jurisdictions to implement a fee should they choose this method to pay for the required stormwater remediation. SB 863 requires that a county or jurisdiction submit a financial assurance plan demonstrating funding capacity every 2 years to the Department of the Environment beginning July 2016.



## **Watershed Protection and Restoration Fee Program Fundamentals**

### **Fee Calculation**

#### ***Residential Fee***

Condo and Townhome -\$15 per unit  
Single Family Home .25 acres or less - \$45  
Single Family Home greater than .25 acre - \$90  
Apartment Complex - \$15 per unit

#### ***Residential Hardship***

60% credit if household income is less than 2.5 times the poverty level

#### ***Commercial Fee***

Calculated based on impervious surface area in units of 500 square feet

Fee = Number of Units x \$15

#### ***Commercial Cap***

If fee is greater than 20% of total tax bill then pay 20% of tax bill

If after 20% adjustment the fee is greater than \$1,000 and owner proves financial hardship then fee maximum is \$1,000

For FY14 only – if the fee is greater than \$10,000, property owners pay either 50% of the fee or \$10,000, whichever is greater (after 20% cap is applied)

#### ***Non-Profit***

If an organization enters into partnership Memorandum of Understanding (MOU) with the County agreeing to allow the County assessment of treatment options to the maximum extent practicable (MEP), and agrees to implement the identified practices, then 100% of fee is waived

Need-based grants are available to assist with, or fully cover, the cost of implementing practices

If an organization does not agree to MOU or later opts out of the partnership, then the fee is calculated at regular commercial rate

### ***Agricultural Assessments***

Residential rate at \$90 if property has a Howard County Soil Conservation District (HCSCD) Conservation Plan or owner has signed MOU agreeing to pursue Conservation Plan

Without Conservation Plan, property is billed at the \$15/500 ft<sup>2</sup> rate

## **Credits**

### ***Residential Credits***

A flat 20% credit is awarded provided minimum impervious area is treated as follows:

\$15 fee – 250 ft<sup>2</sup>      \$45 fee – 500 ft<sup>2</sup>      \$90 fee – 1,000 ft<sup>2</sup>

### ***Commercial***

If Site Development Plan (SDP) is dated after January 2003 and certifies that all stormwater management systems are in place and functional, property owners receive a 50% credit toward the base fee – no further credit is possible

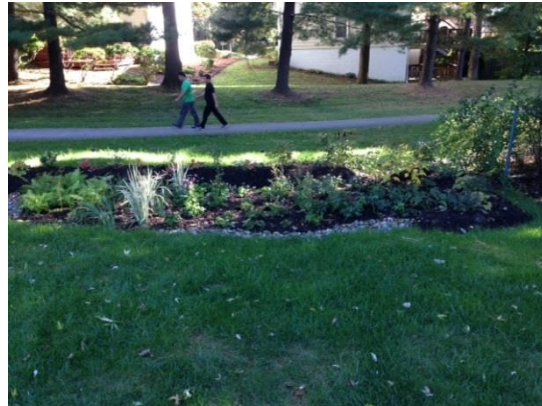
For other properties, additional impervious area treatment under MDE design manual standards is credited by square feet treated x .5

### ***Non profit***

For nonprofit properties that do not participate in the MOU program, the percentage credit is awarded equivalent to the stormwater treated on-site

## **Reimbursements**

One-time reimbursements for costs incurred for the construction or implementation of additional stormwater practices are available for all properties. The practices accepted, the minimum criteria required, and the reimbursement rates will vary and are defined by County Council Resolution.

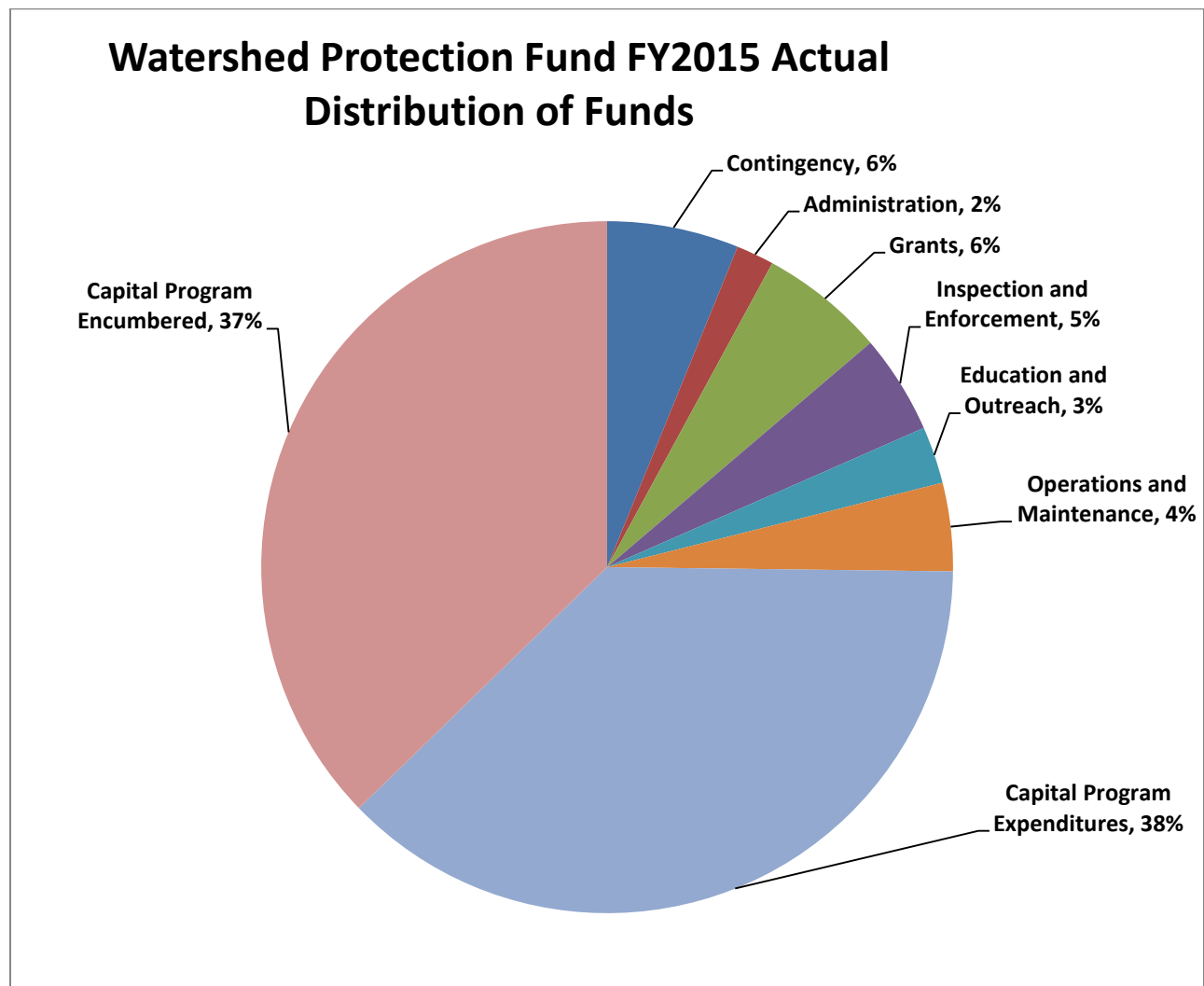


## 2. Watershed Protection and Restoration Fund Report as required by Environment Article of the Maryland Code, subsection 4-202.1 (i)

The information provided below is the actual distribution of funds of the Howard County WPRF required under the Maryland Environmental Article of the Maryland Annotated Code.

The fiscal reporting year ended on June 30, 2016. For Fiscal Year 2015, 93,163 properties were subject to WPRF. The amount deposited to the fund was \$11,129,860.55.

In comparing FY 15 to FY 14, note that FY 14 was only the budgeted distribution of funds given the timing for the new fund. FY 15 represents the actual distribution of expenditures and encumbrances.



### 3. Financial Data

**Fee Collection** – provided by Howard County’s Department of Finance

**\$11,129,860.55** - Imposed overall fee (net of all credits) for FY 2015

**\$51,477.20** - Amount of FY 2015 billing delinquent as of 6/30/2015

**\$19,267.04** - Amount still due for the FY 15 billings as of 1/31/16

### **Personnel Complement Funded by the Watershed Protection and Restoration Fund FY15**

Office of Environmental Sustainability – 3 positions

- Stormwater Management Coordinator
- Planning Specialist II
- Administrative Aide

Department of Public Works, Stormwater Management Division – 7 positions

- Engineering Specialist III
- Engineering Specialist II
- Planning Specialist II
- Regulation Inspector II
- Regulation Inspector I
- Engineer Manager I
- Engineer Specialist III

Department of Public Works, Highways – 4 positions

- Motor Equipment Operator II
- Motor Equipment Operator I (3)



# Comprehensive Annual Financial Report Fiscal Year 2015

## Howard County, Maryland Combining Statement of Revenues, Expenses and Changes in Net Position Non-Major Enterprise Funds June 30, 2015

	Broadband	Watershed Protection and Restoration	Special Recreation Facility	Total
<b>Operating revenues:</b>				
User charges	\$ 1,101,330	11,105,687	-	12,207,017
Green and/or cart fees	-	-	1,325,595	1,325,595
Range fees	-	-	108,818	108,818
Merchandise	-	-	12,473	12,473
Food and beverage	-	-	30,732	30,732
Miscellaneous sales and services	-	29,006	2,682	31,688
<b>Total operating revenues</b>	<b>1,101,330</b>	<b>11,134,693</b>	<b>1,893,311</b>	<b>14,129,334</b>
<b>Operating expenses:</b>				
Salaries and employee benefits	371,432	1,158,067	-	1,529,499
Contractual services	554,567	652,762	1,459,050	2,666,379
Supplies and materials	684	955	-	1,639
Business and travel	734	718	-	1,452
Share of county administrative expenses	-	710,075	-	710,075
Other administrative	-	78,490	-	78,490
Depreciation expense	720,961	25,762	39,829	786,552
<b>Total operating expenses</b>	<b>1,648,378</b>	<b>2,621,829</b>	<b>1,498,879</b>	<b>5,769,086</b>
<b>Operating income (loss)</b>	<b>(547,048)</b>	<b>8,507,864</b>	<b>394,432</b>	<b>8,355,248</b>
<b>Nonoperating revenues (expenses):</b>				
Interest on investments	(94)	7,872	(96)	7,682
Interest expense	-	-	(108,262)	(108,262)
Gain (loss) on sale of capital assets	23,318	-	-	23,318
Other, net	-	-	(94,882)	(94,882)
<b>Total nonoperating revenues (expenses)</b>	<b>23,224</b>	<b>7,872</b>	<b>(203,540)</b>	<b>(172,444)</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(523,824)</b>	<b>8,515,736</b>	<b>190,892</b>	<b>8,182,804</b>
Capital contributions	133,408,337	-	-	133,408,337
Transfers in	52,940	-	120,168	173,108
Transfers out	-	(3,369,951)	-	(3,369,951)
<b>Change in net position</b>	<b>128,689,553</b>	<b>5,145,785</b>	<b>311,060</b>	<b>133,946,408</b>
<b>Net position - beginning</b>	<b>-</b>	<b>1,695,582</b>	<b>5,693,608</b>	<b>7,389,190</b>
<b>Net position - ending</b>	<b>\$ 128,689,553</b>	<b>6,841,367</b>	<b>6,004,668</b>	<b>135,535,588</b>

The accompanying notes are an integral part of these financial statements.

<b>SWM Division Projects Charged to Watershed Protection and Restoration Fund</b>				
As of January 12, 2016				
<i>Purchase Order Date</i>	<i>Project</i>	<i>Description</i>	<i>2015 **</i>	
			<i>WPR Fund Total</i>	<i>% Spent</i>
12/12/2012	2-D Flood Study	Perform 2-D floodplain modeling for downtown Ellicott City	\$ 210,526.80	100%
2/6/2013	Savage Library WQ Concept Phase	Concept design for water quality site improvements	\$ 63,754.95	100%
6/5/2013	Bill Lilly Construction	Repair/replace existing pond riser/barrel - construction	\$ 215,374.58	100%
6/5/2013	Shadow Lane Dredging Construction	Repair/replace existing pond plus dredge sediment built up in the pond	\$ 718,740.23	100%
6/18/2013	Ellicott City Parking Lot B WQ Design	Ellicott City parking lot B water quality design	\$ 17,751.36	100%
8/8/2013	Savage Library WQ Final Design	Final design for water quality site improvements	\$ 140,000.00	100%
9/9/2013	D&F Construction	Parking Lot B construction (porous pavement)	\$ 107,986.71	100%
9/13/2013	Stone Trail Ct Stream - Construction	Stream restoration construction	\$ 851,781.09	100%
10/9/2013	Pinehurst Court Design	Stream restoration design	\$ 167,555.49	100%
10/15/2013	Parking Lot E Final Design	Ellicott City parking lot E final design	\$ 130,000.00	96%
10/23/2013	Rockburn Branch Park LID Retrofit Study and Design	Design for new bioretention to treat existing parking lot	\$ 69,315.05	90%
11/15/2013	Parking Lot D Concept Design	Ellicott City Parking Lot D concept design	\$ 45,600.00	47%
11/18/2013	Dayton Shop Design	Repair/replace existing pond riser/barrel - design	\$ 38,494.24	87%
11/20/2013	Whiterock Ct Stream - Construction	Stream restoration construction	\$ 330,958.68	99%
11/25/2013	Tiller Drive 2 Construction	Stream restoration construction	\$ 206,852.32	100%
1/15/2014	Red Hill & Meadowbrook Monitoring 2014	Field monitoring and reporting to support Chesapeake Bay Trust Fund grant projects	\$ 134,885.00	67%
1/22/2014	Savage Library WQ Construction	Construct water quality improvements at the site	\$ 725,000.00	100%

2/6/2014	Wetherburn Construction	Repair/replace existing pond riser/barrel - construction	\$ 222,893.69	100%
2/26/2014	CDCI Lot E Caisson Construction/Rock Removal	Ellicott City parking lot E - caisson construction and rock removal	\$ 373,858.46	100%
3/4/2014	Lot F Concept Design	Ellicott City Parking Lot F concept design	\$ 28,800.00	98%
3/12/2014	Lot E Site Prep Work	Initial grading to prep Ellicott City Lot E for the caisson construction	\$ 134,277.98	100%
3/13/2014	Wimbledon Construction	Repair/replace existing pond riser/barrel - construction	\$ 253,526.54	100%
3/27/2014	Quaker Mill Pond Concept	Concept for water quality retrofit of existing pond	\$ 8,704.96	100%
4/7/2014	Angelas Valley Construction	Repair/replace existing pond riser/barrel - construction	\$ 244,299.77	100%
4/25/2014	Rhode Valley Construction	Repair/replace existing pond riser/barrel - construction	\$ 238,465.96	100%
4/29/2014	NPDES Geodatabase Development Phase 2	Development work for geodatabase needed to support NPDES permit	\$ 270,356.00	99%
4/29/2014	Lot E - Caisson Construction Management	Ellicott City parking lot E - caisson construction and rock removal - construction management	\$ 45,461.68	100%
5/20/2014	Lot E - Bagha Plat Revision	Prepare plat needed to acquire property needed for Ellicott City parking lot E project	\$ 6,918.80	99%
5/28/2014	Woodlot Road Stream Design	Stream restoration design	\$ 141,201.96	65%
6/6/2014	Emily Fox Ct Pipe Replacement Construction	Repair/replace existing pond riser/barrel - construction	\$ 251,688.74	100%
7/14/2014	BGE - Pole Relocation	BGE - pole relocation for Ellicott City parking lot E project	\$ 47,487.00	100%
7/17/2014	Wilde Lake HS Retrofit Construction	Construct water quality improvements at existing site	\$ 725,000.00	100%
7/17/2014	BGE - Guywire Relocation	BGE - guywire relocation for Ellicott City parking lot E project	\$ 4,125.00	50%
7/21/2014	Old Mill Construction	Repair/replace existing pond riser/barrel - construction	\$ 305,071.53	100%
9/4/2014	Towering Oaks Construction	Repair/replace existing pond riser/barrel - construction	\$ 223,495.09	100%

9/19/2014	Ellicott Mills Bumpout Concept	Concept for one bioretention bump-out on Ellicott Mills Road	\$ 37,341.93	94%
9/25/2014	Lot E Phase 2 Construction	Ellicott City Lot E site construction	\$ 766,837.47	93%
9/26/2014	Lot E - Phase 2 Construction Management	Ellicott City final site work construction management	\$ 69,700.50	85%
9/30/2014	Southview Road Construction	Stream restoration construction	\$ 99,821.45	95%
9/30/2014	Red Cravat Construction	Repair/replace existing pond riser/barrel - construction plus dredge sediment built up in the pond	\$ 1,146,174.17	100%
10/3/2014	Glenshire Construction	Repair/replace existing pond riser/barrel – construction	\$ 465,740.77	93%
10/7/2014	Northgate Woods Construction	Repair/replace existing pond riser/barrel – construction	\$ 226,530.41	88%
10/10/2014	Bonnie Branch Stream Feasibility Study	Concept design for stream restoration project	\$ 18,711.92	100%
10/23/2014	Southview Road Construction Management	Stream restoration construction management	\$ 135,773.95	56%
12/22/2014	Pinehurst Court Stream Restoration Construction Services	Stream restoration construction	\$ 284,425.93	98%
1/8/2015	Pinehurst Court Stream Restoration Construction Management Services	Stream restoration construction management	\$ 89,544.26	89%
2/11/2015	Dorsey Hall VC Stream and RSC Construction	Stream restoration and regenerative storm conveyance construction	\$ 113,004.75	94%
2/11/2015	Dorsey Hall VC Stream and RSC Construction Management	Stream restoration and regenerative storm conveyance construction management	\$ 58,520.00	96%
10/19/2015	Davis Branch Design	Stream restoration design	\$ 185,944.86	10%
11/6/2015	Large Woody Debris Removal from Stream	Removal of woody debris blockages from local streams	\$ 54,044.50	0%
12/17/2015	Bonnie Branch Stream Construction	Stream restoration construction	\$ 140,761.70	0%
12/28/2015	Longmeadow Pond 1 - Construction	Repair/replace existing pond riser/barrel – construction	\$ 594,188.45	0%
12/28/2015	Longmeadow Pond 1 - Construction Management	Repair/replace existing pond riser/barrel – construction management	\$ 58,282.68	0%

		TOTAL	\$ 12,245,559.36
		Total 2012	\$ 210,526.80
		Total 2013	\$ 3,104,164.70
		Total 2014*	\$ 7,636,576.66
		Total 2015**	\$ 1,294,291.20
		Total as of 1/12/2016	\$ 12,245,559.36

**NOTES:**

This table represents WPRF expenditures to-date and breaks out the values by calendar years based on purchase order issuance date.

Some purchase orders also have money allocated from the General Fund. This table is solely for the WPRF.

This table only covers items for which a purchase order was issued. It does not cover items like the READY grant.

\* 2014 WPR Fund Total is based on an SAP Encumbrance Report generated on January 7, 2015.

\*\* 2015 WPR Fund Total is based on an SAP Encumbrance Report generated on January 12, 2016.



## 4. Incentive Reimbursements and Credits

If stormwater best management practices (BMP) are constructed on a property and meet the design criteria outlined by MDE, a reimbursement for costs up to 50% of the total (with a maximum amount) is given to the owner. An owner must fill out an application and the site is inspected for validation of design. There is a reimbursement program for both residential and non-residential property owners.

In addition, any property owner that has installed a BMP is eligible for a credit against the fee. For residential parcels this amounts to a flat 20% credit. For non-residential parcels the credit is calculated based on the amount of impervious area treated x 0.5 up to 50% of the total fee. For non-residential parcels with a SDP post-2003 the credit is an automatic 50% given they have met the strictest MDE design standards.

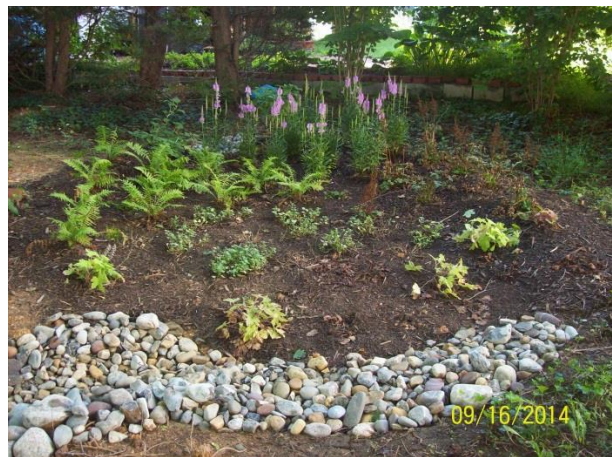
2015 Residential Reimbursements	/	Total To Date (TTD)
<ul style="list-style-type: none"> <li>78 reimbursement applications received</li> <li>69 reimbursements were granted (88.46%)</li> <li>\$40,431 total issued to property owners</li> <li>1.47 impervious acres treated</li> </ul>	/	158 TTD 133 TTD \$72,405 2.33 TTD
2015 Residential Credits		
<ul style="list-style-type: none"> <li>32 Credit Applications received</li> <li>27 Credits granted (60%)</li> <li>\$372 in credit issued</li> <li>No unique impervious treated (credit applicants also received reimbursement)</li> </ul>	/	80 TTD 61 TTD \$1,434 TTD 0.12 TTD
2015 Non-residential Reimbursements		
<ul style="list-style-type: none"> <li>No applications were received</li> </ul>	/	0 TTD
2015 Non-residential Credits		
Pre-2003 SDP		
<ul style="list-style-type: none"> <li>0 Applied</li> <li>0 Approved</li> </ul>	/	22 TTD 14 TTD
Post-2003 SDP		
<ul style="list-style-type: none"> <li>4 applied</li> <li>3 Approved</li> <li>\$14,318 in credit issued</li> </ul>	/	56 TTD 51 TTD not previously calculated

For agriculturally assessed properties a credit is awarded for any parcel that is managed by a Water Quality and Conservation Plan, prepared by the HCSCD; or a Forest Conservation Plan approved by the Maryland Department of Natural Resources (DNR).

- 965 Agricultural Properties are credited with Conservation Plans

Non-profit parcel owners are offered the opportunity to join in partnership with the County allowing the County to assess the potential for on-site impervious area treatment. If a property owner joins the partnership his/her fee is reduced to \$0 from that date forward – unless he/she at some point in the future opts out of the partnership at which point they will be charged the non-residential rate, currently \$15/500 ft<sup>2</sup> of impervious area.

- 140 non-profit partners are currently in the partnership, totaling over 200 parcels.
- 13 parcels require no further action as they are post-2003 SDP
- READY crews built rain gardens on 6 additional nonprofit properties in FY 15 treating 0.74 impervious acres and hold a fee for service agreement to perform maintenance at 7 of the nonprofit properties with rain gardens
- The Center for Watershed Protection through a DNR grant is finishing construction of BMP's on 3 parcels
- \$2 million in contracts to be awarded to two firms in early 2016 to design and build BMP's on non-profit partner properties



## 5. Adjustments

As defined by the County Code, all parcel owners are entitled to submit a request for adjustment to the WPRF for one or more of the following reasons:

- Identification of the owner invoiced is in error
- Error regarding the impervious surface measurement for non-residential parcels
- Mathematical error in calculating residential lot size
- Mathematical error in calculating the fee on non-residential properties

There was a total of 1 request for adjustment in 2015. An adjustment committee comprised of staff from the Department of Finance, GIS, the Office of Law, OES and HCSCD reviewed the request.

- 0 requests granted
- 1 request denied (applicant did not supply further information as requested)
- 0 appealed to the Board of Appeals

As expected, the number of adjustment requests dropped significantly since the previous year as community education increased and billing data errors were addressed as shown below.

### Adjustment Requests

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Received	101	28	1	130
Approved	52	17	0	69
Denied	49	11	1	61
Board of Appeals Cases	0	0	0	0

## 6. Fee Assistance and Hardship

The Department of Finance administers a fee assistance program to aid residential property owners. Currently there are 449 Hardship Credits totaling \$16,344.00

Hardship Credits criteria for non-residential property owners are defined under Section 20.1109 9(c).

## 7. Recommendations

- Consider an increase in residential credit above existing 20% to create greater incentives to construct on-site runoff controls
- Consider a greater incentive program for commercial properties