

UA01
Department of the Environment – Capital

Capital Budget Summary

Grant and Loan Capital Improvement Program
(\$ in Millions)

Program	FY 2019 Approp.	FY 2020 Approp.	FY 2021 Request	FY 2022 Est.	FY 2023 Est.	FY 2024 Est.	FY 2025 Est.
Maryland Water Quality Revolving Loan Fund	\$306.600	\$127.657	\$157.716	\$156.800	\$156.800	\$156.800	\$156.800
Maryland Drinking Water Revolving Loan Fund	32.830	32.000	33.548	33.000	33.000	33.000	33.000
Bay Restoration Fund – Wastewater Projects	70.000	70.000	75.000	75.000	80.000	80.000	80.000
Septic System Upgrade Program	15.000	15.000	15.000	15.000	15.000	15.000	15.000
Supplemental Assistance Program	0.000	0.000	4.175	2.000	2.000	2.000	2.000
Water Supply Financial Assistance Program	3.303	1.960	1.426	2.500	2.500	2.500	2.500
Hazardous Substance Clean-Up Program	0.500	0.525	0.500	1.000	1.000	1.000	1.000
Mining Remediation Program	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Energy-Water Infrastructure Program	8.000	0.000	0.000	0.000	0.000	0.000	0.000
Comprehensive Flood Management Program	0.000	5.000	6.180	3.000	3.000	3.000	5.000
Total	\$436.733	\$252.642	\$294.045	\$288.800	\$293.800	\$293.800	\$295.800

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Fund Source	FY 2019 Approp.	FY 2020 Approp.	FY 2021 Request	FY 2022 Est.	FY 2023 Est.	FY 2024 Est.	FY 2025 Est.
PAYGO GF	\$0.500	\$0.525	\$0.700	\$1.000	\$1.000	\$1.000	\$1.000
PAYGO SF	220.280	177.745	216.400	214.500	219.500	219.500	219.500
PAYGO FF	43.300	52.861	53.146	53.500	53.500	53.500	53.500
GO Bonds	22.653	21.511	23.799	19.800	19.800	19.800	21.800
Revenue Bonds	150.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$436.733	\$252.642	\$294.045	\$288.800	\$293.800	\$293.800	\$295.800

FF: federal funds
 GF: general funds
 GO: general obligation
 PAYGO: pay-as-you-go
 SF: special funds

Key Observations

- Gallons of Combined Sewer Overflow and Sanitary Sewer Overflow Increase Substantially in Fiscal 2019:*** The number of gallons of overflow had been showing a decreasing trend between fiscal 2010 and 2018 but there was a substantial increase in fiscal 2019. Over the fiscal 2001 through 2019 period, it appears that very little progress has been made to reduce the number of overflows. The Maryland Department of the Environment (MDE) has noted that funding for sewer rehabilitation, progress on improvements and repairs to collection systems, and the amount of rainfall will determine future sewer overflow reductions.

Summary of Recommended PAYGO Actions

1. Add committee narrative requesting a Bay Restoration Fund cash flow spreadsheet.
2. Concur with Governor’s allowance for the Water Quality Revolving Loan Fund.
3. Concur with Governor’s allowance for the Hazardous Substance Clean-Up Program.
4. Concur with Governor’s allowance for the Drinking Water Revolving Loan Fund.

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5. Concur with Governor’s allowance for the Bay Restoration Fund – Septic Systems Program.
6. Concur with Governor’s allowance for the Comprehensive Flood Management Grant Program.

Summary of Recommended Bond Actions

	<u>Funds</u>
1. Comprehensive Flood Management Program	\$2,800,000 GO
Reduce the authorization for the Comprehensive Flood Management Grant Program.	
2. Maryland Drinking Water Revolving Loan Fund	
Approve the \$4,032,000 general obligation bond authorization for the Maryland Drinking Water Revolving Loan Fund.	
3. Maryland Water Quality Revolving Loan Fund	
Approve the \$7,686,000 general obligation bond authorization for the Maryland Water Quality Revolving Loan Fund.	
4. Mining Remediation Program	
Approve the \$500,000 general obligation bond authorization for the Mining Remediation Program.	
5. Supplemental Assistance Program	
Approve the \$4,175,000 general obligation bond authorization for the Supplemental Assistance Program.	
6. Water Supply Financial Assistance Program	
Approve the \$1,426,000 general obligation bond authorization for the Water Supply Financial Assistance Program.	
Total General Obligation Reductions	\$2,800,000

Summary of Budget Reconciliation and Financing Act Recommended Actions

1. The Department of Legislative Services recommends that \$25,000,000 of the Bay Restoration Fund balance be transferred in fiscal 2021 to the Maryland Department of Transportation in order to allow for a corresponding reduction in the general funds budgeted for the Washington Metropolitan Area Transit Authority contribution.

Summary of Issues

Bay Restoration Fund Balance Transfer Recommendation

The Bay Restoration Fund is currently running a substantial fund balance. The balance is not projected to go below \$30 million and will increase to as much as \$81.6 million by fiscal 2030. The State could consider using these funds to support other State-funded Chesapeake Bay water quality-related activities.

Summary of Updates

Status of Consent Decrees

Eight Maryland jurisdictions have consent decrees for various water quality violations. Overall, MDE's fiscal 2021 allowance includes \$57.6 million in order to address the consent decrees. The overall estimated costs are \$581.9 million of which \$494.7 million is for Baltimore City.

Program Description

MDE's capital program is comprised of the Water Quality Revolving Loan Fund (WQRLF), the Drinking Water Revolving Loan Fund (DWRLF), the Bay Restoration Fund (BRF) – Wastewater Projects, BRF – Septic System Projects, the Water Supply Financial Assistance Program, the Hazardous Substance Clean-Up Program, the Mining Remediation Program, the Comprehensive Flood Management Program, and the Supplemental Assistance Program. The Biological Nutrient Removal (BNR) Program has been folded into the BRF – Wastewater Projects, the Energy-Water Infrastructure Program received final funding in fiscal 2019, the Supplemental Assistance Program returns as a stand-alone program in fiscal 2021, and the Comprehensive Flood Management Program receives annual funding beginning in fiscal 2021. The programs in MDE's fiscal 2021 allowance address MDE's goals of protecting water resources and ensuring safe and adequate supplies of drinking water, managing air quality and emissions for maximum protection of human health and the environment, and reducing Maryland citizens' exposure to hazards. Descriptions of MDE's eight current programs may be found in **Appendix 1**.

Performance Measures and Outputs

In January of each year, MDE solicits interest for funding from the WQRLF and the DWRLF. The solicitation of interest is available to local governments and private drinking water providers. MDE’s funding solicitation for fiscal 2021 funding is reflected in **Exhibit 1**. MDE’s solicitation distinguishes between clean water and drinking water type projects with the majority of funding solicited for clean water projects. As reflected in the exhibit, the funding demand of \$1.0 billion exceeds the \$191.3 million for the WQRLF and the DWRLF included in the fiscal 2021 allowance.

Exhibit 1
MDE Capital Program Funding Solicitation for Revolving Loan Funds
Fiscal 2021
(\$ in Millions)

<u>Project Type</u>	<u>Applications</u>	<u>Total Project Cost</u>	<u>Funding Requested from MDE</u>
Clean Water			
Secondary Treatment	5	\$13.570	\$13.563
Advanced Treatment	3	44.457	40.957
Sewerage (including I/I and CSO)	76	936.947	444.160
Stormwater	9	54.206	49.748
Hydromodification	3	5.566	2.840
Landfills	1	1.020	1.020
Other	3	350.445	251.043
<i>Subtotal</i>	<i>100</i>	<i>\$1,406.211</i>	<i>\$803.331</i>
Drinking Water			
Source Water Development	2	\$0.106	\$0.105
Water Treatment Plant	6	7.800	7.780
Transmission/Distribution Mains	35	140.652	116.730
Water Storage	6	359.412	82.489
Other	0	0.000	0.000
<i>Subtotal</i>	<i>49</i>	<i>\$507.969</i>	<i>\$207.103</i>
Total	149	\$1,914.180	\$1,010.434

CSO: combined sewer overflow

I/I: infiltration or inflow

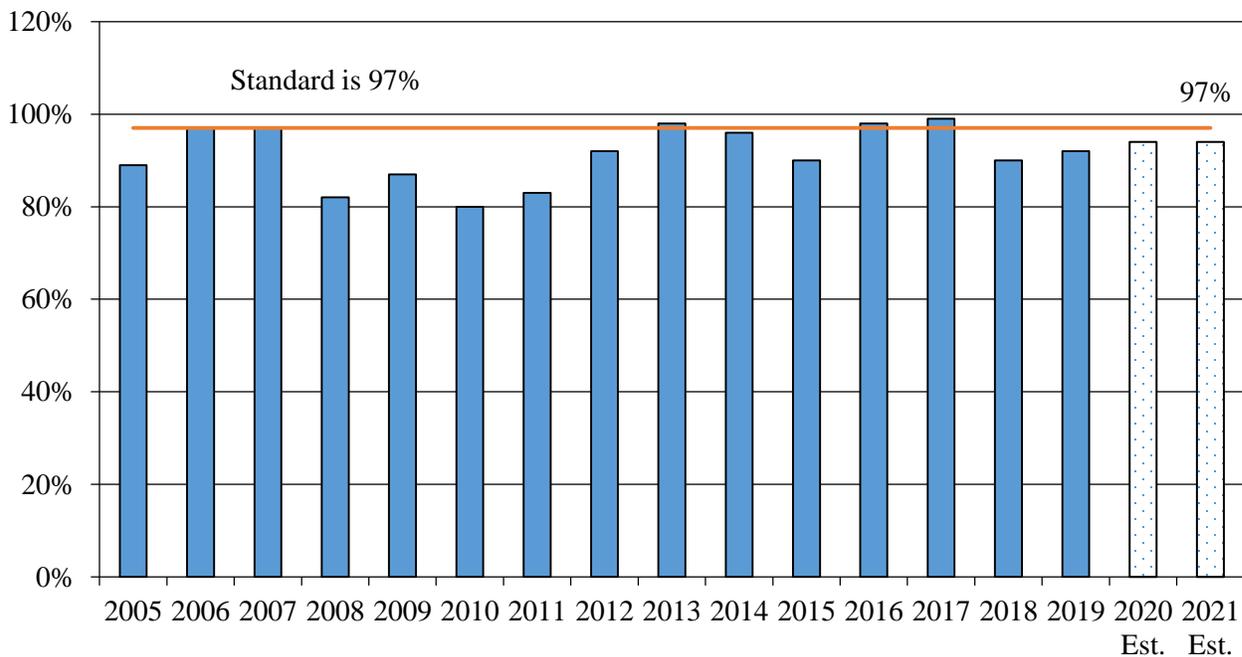
MDE: Maryland Department of the Environment

Source: Maryland Department of the Environment

DWRLF

Exhibit 2 shows an overall trend toward a cleaner public water system in Maryland. However, between fiscal 2017 and 2018, there was a decrease in the percent of Marylanders served by systems that are in compliance with all drinking water regulations. This is due to the percent of Marylanders served by public water systems in significant compliance that increased moderately between fiscal 2018 and 2019 from 90% to 92% but still below the 97% standard.

Exhibit 2
Marylanders Served by Public Water Systems in Significant Compliance
Fiscal 2005-2021 Est.



Source: Governor’s Fiscal 2008-2016 Budget Books; Department of Budget and Management

BRF – Wastewater Projects

Exhibit 3 shows the status of efforts to install BNR and enhanced nutrient removal (ENR) technology at the 67 major wastewater treatment plants (WWTP). BNR technology allows WWTPs to achieve wastewater effluent quality of 8 milligrams per liter (mg/L) total nitrogen and 3 mg/L total phosphorus. As of January 2020, of the 67 major WWTPs, 97% are operating at the BNR level (same as of January 2019), and 94% are operating at the ENR level (same as of January 2019). The status of the four remaining WWTPs being upgraded to ENR technology is as follows:

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- **Patapsco:** construction phase with 99% construction completed and expected to meet ENR by January 2020;
- **Hampstead:** construction phase with 18% construction completed and expected to meet ENR by June 2022;
- **Westminster:** construction phase with 10% construction completed and expected to meet ENR by September 2022; and
- **Princess Anne:** planning phase with 0% construction completed and expected to meet ENR by December 2023.

Exhibit 3
Status of BNR and ENR Construction
Through January 2020

	<u>BNR</u>	<u>ENR</u>
Preplanning	0	0
Planning	0	1
Design	0	0
Construction	2	3
Under Operation	65	63
Total	67	67

BNR: biological nutrient removal

ENR: enhanced nutrient removal

Note: The Bay Restoration Fund Advisory Committee added the Hampstead wastewater treatment plant, increasing the major plants to 67.

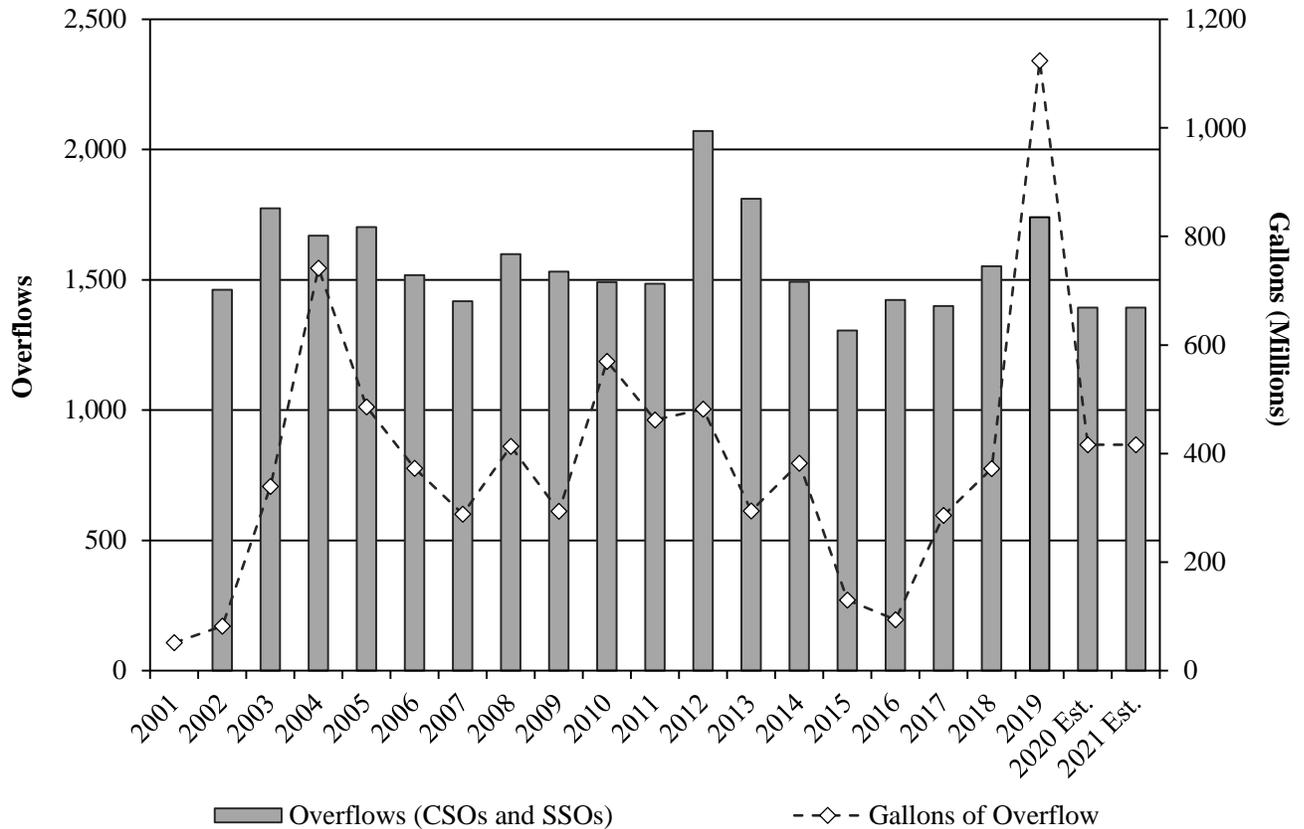
Source: Maryland Department of the Environment

A number of Maryland’s jurisdictions have signed consent decrees requiring the upgrade of their sewer systems due to the release of untreated sewage from facilities with National Pollutant Discharge Elimination System permits.

As illustrated in **Exhibit 4**, the number of gallons of overflow had been showing a decreasing trend between fiscal 2010 and 2018, but then there was a substantial increase in fiscal 2019. Over the fiscal 2001 through 2019 period, it appears that very little progress has been made to reduce the number of overflows. Large overflows in a particular year may be attributable to a few extreme events, such as in Cumberland and La Vale in Allegany County in recent years. MDE has noted that funding for sewer rehabilitation, progress on improvements and repairs to collection systems, and the amount of rainfall

will determine future sewer overflow reductions and that it has very little control over either the number of overflows or the associated gallons.

Exhibit 4
CSO and SSO Overflows
Fiscal 2001-2021 Est.



CSO: combined sewer overflow
 SSO: sanitary sewer overflow

Note: The number of gallons of overflow is calculated by the annual net change in number of gallons of overflows from the fiscal 2003 to 2005 average.

Source: Governor’s Fiscal 2008-2016 Budget Books; Department of Budget and Management

Hazardous Substance Clean-Up Program

As shown in **Exhibit 5**, based on February 2020 data, the number of active and archived Brownfield Master Inventory (BMI) sites increased steadily between fiscal 2014 and the 2020 estimate. However, sites can move between the active and archived list based on whether a prospective property purchaser enrolls the property in the Voluntary Cleanup Program or new environmental data suggests inclusion. Furthermore, BMI overstates the need for the Hazardous Substance Clean-Up Program because the Voluntary Cleanup Program and other sites for which the Hazardous Substance Clean-Up Program are not eligible are constantly being added to BMI. MDE only uses State funds to conduct site assessment or remediation activities in situations where there is no financially viable responsible party. Therefore, a more accurate measure for the program would be a measure of sites that do not have a financially responsible party and thus are eligible for the program.

Exhibit 5
Brownfield Master Inventory Sites
Fiscal 2014-2020 Est.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 Est.</u>
Active BMI	748	727	1,033	1,130	1,166	1,201	1,200
Archived BMI	687	734	986	1,058	1,087	1,181	1,259
Total Sites	1,435	1,461	2,019	2,188	2,253	2,382	2,459

BMI: Brownfield Master Inventory

Note: The fiscal 2020 data is as of February 12, 2020.

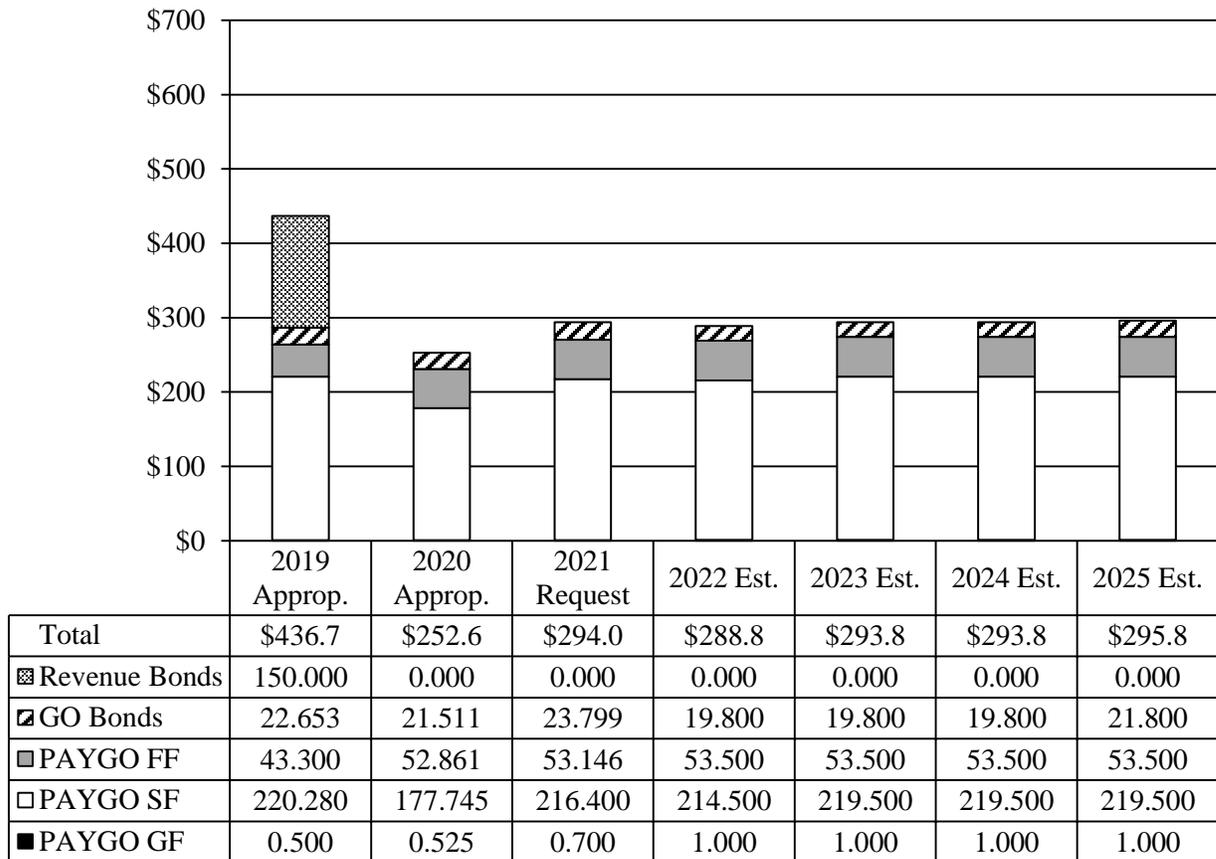
Source: Maryland Department of the Environment

Budget Overview

Fiscal 2021 Budget

MDE’s fiscal 2021 capital program includes \$0.7 million in general funds, \$216.4 million in special funds, \$53.1 million in federal funds, and \$23.8 million in general obligation (GO) bonds for a total of \$294.0 million. The overall change between fiscal 2020 and 2021 is a \$41.4 million increase, as shown in **Exhibit 6**. The increase in funding between fiscal 2020 and 2021 is primarily attributable to the \$31.5 million increase in the special funds for the WQRLF, the \$5.0 million increase in special funds for the BRF – Wastewater Program, and the \$4.2 million increase in GO bonds for the Supplemental Assistance Program.

Exhibit 6
MDE Capital Programs Funding
Fiscal 2019-2025 Est.
(\$ in Millions)



FF: federal funds
 GF: general funds
 GO: general obligation
 MDE: Maryland Department of the Environment
 PAYGO: pay-as-you-go
 SF: special funds

Source: Department of Budget and Management

For the out-years, the overall funding available for MDE’s capital programs appears to be relatively flat. This does not account for the \$120.0 million in revenue bonds for the WQRLF, the \$50.0 million in revenue bonds for the DWRLF, and the \$100.0 million in revenue bonds for the BRF – Wastewater Program planned in fiscal 2022, which in any event may not be issued due to available cash balance in each of the programs.

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Exhibit 7 compares the 2019 and 2020 *Capital Improvement Programs* (CIP). The main change over the planning period is an increase in the estimated amount of special funds for the WQRLF. The increase in federal funds reflects additional capitalization expected for the DWRLF. GO bonds increase due to the resumption of funding for the Supplemental Assistance Program and the continuation of funding for the Comprehensive Flood Management Program.

Exhibit 7
2019 and 2020 CIP Comparison
(\$ in Millions)

	<u>2021 Request</u>	<u>2022 Est.</u>	<u>2023 Est.</u>	<u>2024 Est.</u>	<u>2025 Est.</u>
2020 CIP					
General Funds	\$0.700	\$1.000	\$1.000	\$1.000	\$1.000
Special Funds	216.400	214.500	219.500	219.500	219.500
Federal Funds	53.146	53.500	53.500	53.500	53.500
GO Bonds	23.799	19.800	19.800	19.800	21.800
Total	\$294.045	\$288.800	\$293.800	\$293.800	\$295.800
2019 CIP					
General Funds	\$1.000	\$1.000	\$1.000	\$1.000	
Special Funds	183.889	183.889	188.889	188.889	
Federal Funds	53.041	53.041	53.041	53.041	
GO Bonds	14.870	14.870	14.870	14.870	
Total	\$252.800	\$252.800	\$257.800	\$257.800	\$0.000
Difference					
General Funds	-\$0.300	\$0.000	\$0.000	\$0.000	\$1.000
Special Funds	32.511	30.611	30.611	30.611	219.500
Federal Funds	0.105	0.459	0.459	0.459	53.500
GO Bonds	8.929	4.930	4.930	4.930	21.800
Total	\$41.245	\$36.000	\$36.000	\$36.000	\$295.800

CIP: *Capital Improvement Program*

GO: general obligation

Note: No funding is reflected beyond the CIP because that is the five-year planning period used by the Administration. Estimates for programmed funding for fiscal 2025 for the 2019 CIP are outside the five-year planning period.

Source: Department of Budget and Management

Highlights

The changes in program funding between fiscal 2020 and 2021 are reflected in **Exhibit 8**.

Exhibit 8
MDE Capital Funding Changes
Fiscal 2020-2021
(\$ in Millions)

<u>Program</u>	<u>2020 Approp.</u>	<u>2021 Request</u>	<u>Difference</u>
Maryland Water Quality Revolving Loan Fund	\$127.657	\$157.716	\$30.059
Bay Restoration Fund – Wastewater Projects	70.000	75.000	5.000
Supplemental Assistance Program	0.000	4.175	4.175
Maryland Drinking Water Revolving Loan Fund	32.000	33.548	1.548
Comprehensive Flood Management Program	5.000	6.180	1.180
Septic System Upgrade Program	15.000	15.000	0.000
Mining Remediation Program	0.500	0.500	0.000
Hazardous Substance Clean-Up Program	0.525	0.500	-0.025
Water Supply Financial Assistance Program	1.960	1.426	-0.534
Total	\$252.642	\$294.045	\$41.403

MDE: Maryland Department of the Environment

Source: Department of Budget and Management; Department of Legislative Services

The highlighted changes in funding for fiscal 2021 are as follows.

WQRLF

The WQRLF allowance for fiscal 2021 is \$157.7 million, which is \$30.1 million more than the fiscal 2020 working appropriation and \$30.9 million more than the amount programmed in the 2019 CIP for fiscal 2021. The increase relative to the fiscal 2020 working appropriation is attributable to \$31.5 million more in special funds, which is offset partially by decreases of \$0.4 million in federal funds and \$1.1 million in GO bonds that capitalize the revolving loan fund. The increase relative to the 2019 CIP amount for fiscal 2021 reflects an increase of \$31.6 million in special funds, which is partially offset by decreases of \$0.6 million in federal funds and \$0.1 million in GO bonds. The primary reason for the difference between the fiscal 2021 allowance and both the fiscal 2020 working appropriation and 2019 CIP amount for fiscal 2021 is the availability of additional special funds from prior years' loan repayments. The fiscal 2021 allowance includes \$111.6 million in special funds, \$38.4 million in federal funds, and \$7.7 million in GO bond authorization used as matching funding. MDE initially anticipated issuing \$120.0 million in revenue bonds to meet anticipated project funding requests in fiscal 2021 and more recently indicated that the revenue bonds may be issued in fiscal 2022, but it now appears that revenue bonds will not be necessary due to available cash balance. MDE encumbered \$225.8 million in fiscal 2019 via loan closings with Baltimore County (\$147.2 million), Westminster (\$29.1 million), and the Washington Suburban Sanitary Commission (\$43.96 million), in addition to smaller closings with other borrowers.

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There are several large projects in the fiscal 2021 allowance. The largest project is the Piscataway Water Resource Recovery Facility. The project is budgeted \$29.7 million in fiscal 2021 with a prior authorization of \$12.7 million and total estimated cost of \$262.0 million. The project involves the design and construction of bioenergy facilities at the existing site of the Washington Suburban Sanitary Commission Piscataway Wastewater Treatment Plant in Prince George’s County that will receive sludge from the other Washington Suburban Sanitary Commission WWTPs.

BRF – Wastewater Projects

Funding for the BRF – Wastewater Projects is \$75.0 million in special funds, which is \$5.0 million more than the fiscal 2020 working appropriation but is even with the amount programmed in the 2019 CIP for fiscal 2021. The funding provides for 15 projects in six jurisdictions and will reduce approximately 71,011 pounds of nitrogen per year from flowing to the Chesapeake Bay and provide for sewer rehabilitation projects that serve 625,282 homes throughout Maryland. For fiscal 2021, the largest projects are the Sanitary Sewer Reconstruction – Oxon Run Sewer Basin Prince George’s County Round 4 project (\$11.7 million), 78 Inch Parallel Pipeline from Mill Race to Combined Sewer Overflow Storage project (\$11.3 million), and Region III Sewer System – Extension of Sewer (Resolution 250) project (\$10.6 million). **Exhibit 9** shows the fiscal 2021 project amount breakdown by funding category. MDE anticipated issuing revenue bonds again in fiscal 2022 but indicates that it will most likely not need to do so.

Exhibit 9
BRF Funding Categories
Fiscal 2021

<u>Funding Category</u>	<u>Project</u>	<u>Amount</u>
Combined Sewer Overflows Abatement, Rehabilitation of Existing Sewers, and Upgrading Conveyance Systems, Including Pumping Stations	Multiple	\$50,661,216
Septic System and Sewage Holding Tank Upgrades	Multiple	16,220,000
Wastewater Treatment Plant (WWTP) Upgrade to Enhanced Nutrient Removal (ENR) – Discharge into the Atlantic Coastal Bays or Other Waters of the State	Prince Frederick WWTP Upgrade Number 1	4,896,546
Minor Wastewater Treatment Plant Upgrade to ENR	Point Lookout WWTP Upgrade	3,222,238
Major Wastewater Treatment Plant Upgrade to ENR	n/a	0
Future Wastewater Treatment Plant Upgrade Beyond ENR	n/a	0
Local Government Stormwater Control Measures	n/a	0
Stormwater Alternative Compliance Plans	n/a	0
Total		\$75,000,000

Source: Maryland Department of the Environment

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MDE is considering ways to incentivize major WWTP owners to reduce nitrogen concentrations, including changing the regulations for the BRF operation and maintenance grants in its operating budget to allow additional grant payments for facilities achieving below 3 mg/l in total nitrogen. Up to 10% of the BRF revenues are allowed to be used for operations and maintenance grants each year, but not all of the funding is used because some facilities do not meet the ENR threshold. Therefore, the remaining portion of this funding would be used for the incentive payments. In order to ensure additional environmental benefits, facilities receiving the additional grants for the additional reductions would be prohibited from using the same load reduction to participate in the Clean Water Commerce Act or nutrient trading programs.

Supplemental Assistance Program

The Supplemental Assistance Program last received funding in fiscal 2016 because the allowed uses were largely assumed by the BRF – Wastewater Projects program. Chapter 153 of 2015 effectively ended the need for the Supplemental Assistance Program.

The fiscal 2021 allowance includes \$4.2 million in GO bonds for five projects in four jurisdictions. The 2020 CIP programs \$2.0 million in GO bond funds annually for fiscal 2022 through 2025.

MDE notes that the BRF – Wastewater Projects funding largely was not available to the small and disadvantaged communities originally served by the Supplemental Assistance Program because the projects did not rank highly enough on the criteria of water quality and public health benefits. MDE advises that the BRF statute would have to be changed in order to accommodate the particular needs of the small and disadvantaged communities previously served by the Supplemental Assistance Program. In addition, WQRLF funding also would not be a good match because of the burden of loan repayment and the fact that loan principal forgiveness is capped at 50%.

DWRLF

The DWRLF allowance for fiscal 2021 is \$33.5 million, which is \$1.5 million more than the fiscal 2020 working appropriation and the amount programmed in the 2019 CIP for fiscal 2021. The increase is due to a higher than anticipated federal fund grant and the availability of additional special funds. The fiscal 2021 allowance includes \$14.8 million in special funds, \$14.7 million in federal funds, and \$4.0 million in GO bond authorization used as matching funding. The funding provides for 17 projects in 11 jurisdictions throughout the State. **Exhibit 10** shows the funding for the DWRLF in MDE’s operating and pay-as-you-go budgets. The \$50.0 million revenue bond issuance tentatively scheduled for fiscal 2022 will not be needed due to available cash balance.

Exhibit 10
Drinking Water Revolving Loan Fund – Operating and PAYGO
Fiscal 2020-2021

	Federal Fiscal 2018 for State Fiscal 2020	Federal Fiscal 2019 for State Fiscal 2021
Capital Projects	\$14,040,120	\$14,715,340
2% Set-aside (Technical Assistance)	406,960	403,160
4% Set-aside (DWRLF Administration)	813,920	0
10% Set-aside (Drinking Water Program Support)	2,034,800	2,015,800
15% Set-aside (Local Assistance)	3,052,200	3,023,700
Total	\$20,348,000	\$20,158,000

DWRLF: Drinking Water Revolving Fund
 PAYGO: pay-as-you-go

Source: Maryland Department of the Environment

The largest projects in the fiscal 2021 allowance are as follows: the Upton Neighborhood and Vicinity Water Main Rehabilitation Project (\$6.3 million); the Berea Neighborhood and Vicinity Water Main Rehabilitation (\$5.9 million); the St. Clement Shores Water System Replacement, Phase 2 project (\$3.7 million); and the Epping Forest Drinking Water Improvement and Modernization project (\$3.1 million).

The National Drinking Water Needs Survey was released in March 2018. Maryland’s reported 20-year drinking water infrastructure need is \$9.3 billion of which Maryland’s highest category of need is transmission and distribution at \$7.0 billion. Maryland’s response to the survey means that Maryland was awarded a higher percentage of the overall funding that can be expected to be available for five more years or until the next survey is completed.

Comprehensive Flood Management Program

The fiscal 2021 allowance includes \$6.2 million in funding for the Comprehensive Flood Management Program. This reflects an increase of \$1.2 million relative to the fiscal 2020 working appropriation and \$6.2 million relative to the amount programmed in the 2019 CIP for fiscal 2021. The Comprehensive Flood Management Program was programmed to receive only one-time funding in fiscal 2020. The 2020 CIP reflects \$3.0 million for fiscal 2022 to 2024 and then \$5.0 million in fiscal 2025. Chapters 651 and 652 of 2019 require the Governor to appropriate at least \$3 million in the State budget in fiscal 2021 and 2022, and at least \$2 million in fiscal 2023. The fiscal 2021 allowance includes \$6.0 million in GO bonds and \$0.2 million in general funds. The general funds are intended to

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reflect compliance with the \$3.0 million general fund mandate for fiscal 2021 based on the principle that the combination of the general funds and the GO bonds exceeds the \$3.0 million threshold. However, the mandate is not met by the Administration’s funding method. **The Department of Legislative Services (DLS) recommends that the \$5,980,000 GO bond authorization for the Comprehensive Flood Management Grant Program be reduced by \$2,800,000 and that the Administration bring in a supplemental budget appropriation to provide for the remaining \$2,800,000 general fund appropriation that is required by the mandate.**

The status of projects that received fiscal 2020 funding is as follows:

- Annapolis City Dock Stormwater and Flood Mitigation (\$1.0 million) involves the construction of a comprehensive stormwater and flood mitigation system to protect the City Dock area of downtown Annapolis from frequent flooding events and is currently in design;
- Howard County (\$3.4 million) has identified three projects – 8600 Culvert, H7 Mitigation Pond, and Quarter Mill Mitigation Pond – that are currently in design; and
- Frederick Avenue Corridor, Baltimore City (\$600,000) is using the funds for a planning study, and implementation of flood management actions as determined by the study results, which may include design and construction of flood control measures in the Frederick Avenue area, installation of flood warning systems, and other works with planning to be initiated in February 2020.

The fiscal 2021 project list includes projects that are both the continuation of fiscal 2020 projects as well as new projects within the area of the fiscal 2020 projects. This reflects that flooding projects require more funding than a single year of the Comprehensive Flood Management Program can provide, so the projects have been divided up over multiple years. For instance, the Annapolis City Dock project receives continuing funding in fiscal 2021. In contrast, the Baltimore City Frederick Avenue project funded in fiscal 2021 is part of a family of projects to address Baltimore City flooding. Similarly, the Ellicott City Maryland Avenue Culverts project in fiscal 2021 is one of a family of projects addressing flooding in Ellicott City.

The fiscal 2021 projects could potentially qualify for federal funding. The Annapolis City Dock Stormwater and Flood Mitigation; Baltimore City Frederick Avenue Corridor; Ellicott City Maryland Avenue Culverts; and Crisfield Tidegates, Culvert Modification, and Pump Station projects have all applied to the Federal Emergency Management Agency (FEMA) for matching federal funding, which could take up to two years to be realized. In particular, the fiscal 2021 funding of \$53,000 for the Baltimore City Frederick Avenue Corridor project would be to match a grant anticipated from FEMA.

Septic System Upgrade Program

The fiscal 2021 appropriation of \$15.0 million in special funds for the Septic System Upgrade Program is equal to both the fiscal 2020 appropriation and the fiscal 2021 amount programmed in the 2019 CIP. There is also \$1.5 million in MDE’s operating budget that is programmed by Chapter 379, which requires that up to 10% of the funds in the septic account of the BRF be distributed to a local

public entity delegated by MDE – local health departments – to cover reasonable costs associated with implementation of MDE regulations pertaining to septic systems that use the best available technology for nitrogen removal. The program anticipates upgrading 1,100 systems in fiscal 2021. There are roughly 400,000 septic systems statewide, of which approximately 50,000 are in the critical areas, that counties have identified septic problem areas as part of their water and sewer plans. In addition, greater than 60% of septic funding has gone to upgrade systems in the Critical Area and septic system connections to ENR or BNR wastewater plants also have continued to be a growing use of funding.

Chapter 585 of 2018 expanded the uses of the BRF Septic Account to include funding for (1) a local jurisdiction to provide financial assistance to eligible homeowners for the reasonable cost of pumping out septic systems under specified conditions and (2) in fiscal 2020 and 2021, financial assistance to a local jurisdiction to develop a qualifying septic stewardship plan. MDE is not aware of any jurisdictions seeking to use BRF funds to develop a plan, but that a jurisdiction cannot fund pump outs unless a septic stewardship plan is in place. **DLS recommends that MDE comment on whether any jurisdictions have sought BRF funds to develop a septic stewardship plan.**

Mining Remediation Program

The Mining Remediation Program receives \$500,000 in GO bonds equal to both the fiscal 2020 authorization and amount programmed for fiscal 2021 in the 2019 CIP. The money provides for final construction funding for the Jennings Run Watershed Bessemer Acid Mine Drainage Remediation Project and continuing planning funding for the Upper Georges Creek Woodland Creek Stream Sealing Project.

The Jennings Run Watershed Bessemer Acid Mine Drainage Remediation Project involves the installation of an electric-powered doser that dispenses limestone to neutralize the acidity and precipitate metals draining from the Bessemer site with construction expected in late fiscal 2020 or early fiscal 2021. The Upper Georges Creek Woodland Creek Stream Sealing Project is the second priority project recommended by the Stream Monitoring Report of the Upper Georges Creek. The first priority, the Shaft Stream Remediation project, is progressing with engineering designs and construction specifications completed, permits are close to approval, and the construction contract expected to be bid out in spring 2020 and started in summer 2020. The second priority project, Woodland Creek Stream Sealing Project, involves testing of ways to seal mine tunnels so that stream flow is not redirected into the tunnels and thus degraded before being discharged through Hoffman Drainage Tunnel into the Braddock Run-Wills Creek watershed.

The federal authority to collect the Abandoned Mine Land fee from coal production expires in September 2021. If legislation is not passed to extend the authority to collect the fee, then MDE will no longer receive funding from the U.S. Department of the Interior – Office of Surface Mining. Federal legislation has been proposed to extend the fee by 15 years, but it remains to be seen whether the legislation will be passed. In the event that the fee is not extended, MDE will continue to receive revenues for several years from funds that have been collected by the Office of Surface Mining but that have not been distributed to the states. After those funds run out, MDE will have to find an alternative source of funding to address abandoned mine land emergencies and other high priority health, safety and environmental problems.

Hazardous Substance Clean-Up Program

The fiscal 2021 allowance includes \$500,000 in general funds for the Hazardous Substance Clean-Up Program, which is \$25,000 less than the fiscal 2020 working appropriation and \$0.5 million less than the amount programmed in the 2019 CIP for fiscal 2021. The reduction reflects project schedules and planned site assessments. The fiscal 2021 funding will allow for the construction of the Chemical Metals, Site No. 1 project in Baltimore City. It will also allow for the return of planning funding for the Former Ames Shopping Plaza project after construction funding was provided in fiscal 2020 and the continuation of planning funding for the Glebe Road, Garden State Tannery, and Elite Free State Cleaners projects. In addition, there is first-time planning funding for the Anacostia River – Northeast and Northwest Branches project and funding for site assessments. The 2020 CIP reflects \$1.0 million for fiscal 2022 through 2025.

The fiscal 2020 operating budget restricted \$200,000 in general funds for the 1600 Harford Avenue (Former Stop, Shop and Save) project in Baltimore pending the receipt of a letter indicating that the property will be redeveloped into a grocery store and providing a timeline for when reimbursement for remediation of the property will be sought. MDE has not received the letter so the release of funds has not been requested. Instead, the 1600 Harford Avenue (Former Stop, Shop and Save) project has been enrolled in Maryland’s Voluntary Cleanup Program and the site owner is completing a Response Action Plan designed to address the site’s legacy contaminant issues in a discrete, outdoor portion of the property that will not interfere with the use of the onsite buildings.

Water Supply Financial Assistance Program

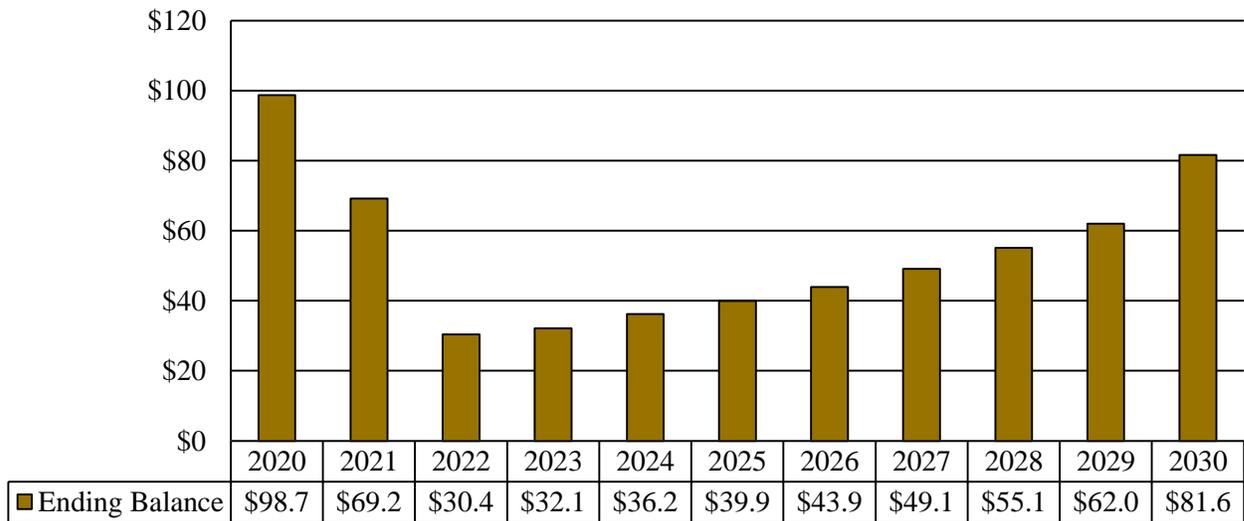
The Water Supply Financial Assistance Program funding of \$1.5 million in GO bonds reflects a \$543,000 decrease relative to the amount budgeted in fiscal 2020 and is \$1,074,000 less than the amount programmed in the 2019 CIP for fiscal 2021. The proposed funding level reflects what is needed for the two projects proposed for fiscal 2021; the Westernport Water Distribution System Improvements, Phase IV project (\$1,250,000); and the Deal Island Road Water Main Loop project (\$176,000). The Bryans Road Wells project, funded in fiscal 2020, had Phase II of the project approved by the Board of Public Works on October 30, 2019. Construction on the project started on December 10, 2019, and should be completed by the end of 2020.

Issues

1. BRF Balance Transfer Recommendation

As shown in **Exhibit 11**, the BRF is currently running a substantial fund balance. Based on current project schedules, estimated annual revenues to the fund, and statutory fund uses, the balance is not projected to go below \$30 million and will increase to as much as \$81.6 million by fiscal 2030 when the current fee structure collected through water and sewer bills is reduced from \$60 to \$30 per year, which was the structure before it was doubled through legislation in the 2012 session.

Exhibit 11
Bay Restoration Fund – Current and Estimated Annual Fund Balance
Fiscal 2020-2030
(\$ in Millions)



Source: Maryland Department of the Environment; Department of Legislative Services

Rather than maintaining such a large fund balance, the State could consider using these funds to support other State-funded Chesapeake Bay water quality-related activities. **DLS recommends using a portion of the balance to fund the Maryland Department of Transportation (MDOT) projects that support the State’s compliance with the Watershed Implementation Plan (WIP). This could be accomplished through an amendment to the Budget Reconciliation and Financing Act of 2020 transferring up to \$25 million of fund balance to MDOT that would allow for a corresponding reduction in the general funds budgeted for the Washington Metropolitan Area Transit Authority contribution.**

Updates

1. Status of Consent Decrees

Eight Maryland jurisdictions have consent decrees for various water quality violations. **Exhibit 12** shows the status of these consent decrees. Overall, MDE’s fiscal 2021 allowance includes \$57.6 million in order to address the consent decrees. The overall estimated costs is \$581.9 million, of which \$494.7 million is for Baltimore City.

Exhibit 12
Status of Consent Decrees
Fiscal 2021
(\$ in Millions)

<u>Community</u>	<u>Project Estimated Cost</u>	<u>Fiscal 2021 Funding</u>			<u>Updates</u>
		<u>BRF</u>	<u>WQRLF</u>	<u>Total Funding</u>	
Allegany County	\$30,600,000	\$7,735,749	\$0	\$7,735,749	The county is in its fourteenth year of a 20-year implementation plan. The county recently completed three projects and currently has one project in design.
Cumberland	54,956,705	11,285,450	0	11,285,450	Cumberland is in its fourteenth year of a 20-year implementation plan. Construction is 88% completed for the city’s Combined Sewage Overflow Storage Facility (\$31.5 million project). The city has another project in design and one in planning.
Frostburg	1,582,500	1,211,602	0	1,211,602	The town is in its fourteenth year of a 20-year implementation plan with one project currently under construction and another in design.
LaVale		0	0	0	The LaVale Sanitary Commission is in its fourteenth year of a 20-year implementation plan. The commission currently has one project in design.
Westport		0	0	0	The town is in its fourteenth year of a 20-year implementation plan. Currently, the town has no active project under this plan because it has been focusing on improving its deteriorated drinking water system.

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<u>Community</u>	<u>Project Estimated Cost</u>	<u>Fiscal 2021 Funding</u>			<u>Updates</u>
		<u>BRF</u>	<u>WQRLF</u>	<u>Total Funding</u>	
Baltimore City	494,713,008	0	37,338,861	37,338,861	Recently, MDE and EPA reached an agreement with Baltimore City to modify the 2002 Consent Decree. The modified agreement requires the city to complete approximately \$2.5 billion of infrastructure rehabilitation to address over 80% of its sewage overflow by 2021. The city applied to EPA for Water Infrastructure Finance and Innovation Act program funding in 2017 and 2018. The Water Infrastructure Finance and Innovation Act program has budgeted \$200 million in response to the city's 2017 application. MDE and EPA are coordinating their efforts in projects that are jointly funded. Many projects are currently under construction including the Back River Headworks and Wet Weather Management project (approximately \$440 million), which will allow the plant to accept more flows due to the corrected sewer overflow issues while protecting the treatment process during extreme wet weather events.
Salisbury		0	0	0	The city has a consent order for Sanitary Sewer Overflows. The city is planning to complete the Sanitary Sewer Overflow corrections concurrently with the enhanced nutrient removal upgrade.
Cambridge		0	0	0	The Cambridge Combined Sewer Overflow separations project (with all its phases) was completed on November 14, 2012.
Total	\$581,852,213	\$20,232,801	\$37,338,861	\$57,571,662	

BRF: Bay Restoration Fund
 EPA: Environmental Protection Agency
 MDE: Maryland Department of the Environment
 WQRLF: Water Quality Revolving Loan Fund
 Source: Maryland Department of the Environment

PAYGO Recommended Actions

1. Adopt the following narrative:

Bay Restoration Fund Cash Flow Spreadsheet: The budget committees are concerned that the Maryland Department of the Environment (MDE) has not provided sufficient information about the accounting of the Bay Restoration Fund (BRF) Wastewater Account to understand the cash flow needs of the program. Therefore, the budget committees request that MDE submit an electronic editable cash flow spreadsheet for the BRF with the fiscal 2022 budget submission and annually thereafter. The spreadsheet should reflect fund balance information that takes into account all commitments and obligations made by MDE on the use of the BRF and shall include the following schedules: capital project costs; revenues and expenditures; and revenue bond debt issuance and debt service.

Information Request	Author	Due Date
BRF cash flow spreadsheet	MDE	Fiscal 2022 budget submission and annually thereafter

2. Concur with Governor’s allowance of \$111,600,000 in special funds and \$38,430,000 in federal funds for the Water Quality Revolving Loan Fund.
3. Concur with Governor’s allowance of \$500,000 in general funds for the Hazardous Substance Clean-Up Program.
4. Concur with Governor’s allowance of \$14,800,000 in special funds and \$14,716,000 in federal funds for the Drinking Water Revolving Loan Fund.
5. Concur with Governor’s allowance of \$15,000,000 in special funds for the Bay Restoration Fund – Septic Systems Program.
6. Concur with Governor’s allowance of \$200,000 in general funds for the Comprehensive Flood Management Grant Program.

GO Bond Recommended Actions

1. Reduce the authorization for the Comprehensive Flood Management Grant Program.

UA01A	Comprehensive Flood Management Program	\$ 3,180,000
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<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
5,980,000	-2,800,000	3,180,000

Explanation: This action reduces the \$5,980,000 general obligation (GO) bond authorization for the Comprehensive Flood Management Grant Program by \$2,800,000. Chapters 651 and 652 of 2019 require the Governor to appropriate at least \$3,000,000 in general funds in the State budget in fiscal 2021, but only \$200,000 has been appropriated. Therefore, the Governor should bring in a supplemental budget appropriation to provide for the remaining \$2,800,000 general fund appropriation that is required by the mandate, which allows for the equivalent amount of GO bond authorization to be reduced.

2. Approve the \$4,032,000 general obligation bond authorization for the Maryland Drinking Water Revolving Loan Fund to finance drinking water projects.
3. Approve the \$7,686,000 general obligation bond authorization for the Maryland Water Quality Revolving Loan Fund to finance water quality improvement projects.
4. Approve the \$500,000 general obligation bond authorization for the Mining Remediation Program to design, construct, and equip active and passive measures to remediate damage to water quality related to abandoned mine operations.
5. Approve the \$4,175,000 general obligation bond authorization for the Supplemental Assistance Program to provide grants to assist grant and loan recipients to meet the local share of construction costs for wastewater facility improvements.
6. Approve the \$1,426,000 general obligation bond authorization for the Water Supply Financial Assistance Program to provide funds for assistance to State and local government entities to acquire, design, construct, rehabilitate, equip, and improve water supply facilities.

Total General Obligation Bonds Reductions	\$2,800,000
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Budget Reconciliation and Financing Act Recommended Actions

1. The Department of Legislative Services recommends that \$25,000,000 of the Bay Restoration Fund balance be transferred in fiscal 2021 to the Maryland Department of Transportation in order to allow for a corresponding reduction in the general funds budgeted for the Washington Metropolitan Area Transit Authority contribution.

Appendix 1 Program Descriptions

- ***Water Quality Revolving Loan Fund:*** The Water Quality Revolving Loan Fund (WQRLF) was created to provide low-interest loans to counties and municipalities to finance water quality improvement projects. The fund was established by the federal government in the Clean Water Act of 1987 and by the State in Sections 9-204 and 9-1604 of the Environment Article to replace the federal construction grants program that was phased out. Projects eligible for funding include wastewater treatment plants (WWTP); failing septic systems; and nonpoint source projects, such as urban stormwater control projects. The federal Act requires a 20% State match. For fiscal 2021, at least 10% of the federal funding must be used for green reserve projects – water efficiency, energy efficiency, and stormwater projects; the federal appropriation act further requires that a statutory minimum of 10% and a maximum of 40% of the capitalization grant be provide as additional subsidies. WQRLF projects are prioritized based on an Environmental Protection Agency (EPA)-approved Integrated Project Priority System. The priority system for WQRLF projects consists of a system for evaluating, rating, and ranking of both point source and nonpoint source water quality projects. The Integrated Project Priority System originally was revised by the Maryland Department of the Environment (MDE) and approved by EPA in 2010 to target financial assistance to projects that help meet Maryland’s Phase I Watershed Improvement Plan (WIP) to address the Chesapeake Bay Total Maximum Daily Load (TMDL). The most recent revision was approved by EPA on January 31, 2020, and now allows for points to be awarded for both water quality and public health, whereas previously points were awarded for either water quality or public health but not both. The Integrated Project Priority System focuses on water quality and public health benefits, compliance, cost efficiency, and sustainability. In accordance with this system, the projects are rated and ranked by MDE’s Water Quality Financing Administration and are listed in ascending ranking order on the Project Priority List. Through January 1, 2020, the program has executed \$2.851 billion in loans, loan forgiveness, and grants.
- ***Drinking Water Revolving Loan Fund:*** The Drinking Water Revolving Loan Fund (DWRLF) was established in accordance with a federal capitalization grant approved by the U.S. Congress in 1996 in anticipation of future federal capitalization grants. This program was authorized by the General Assembly to provide loans to counties and municipalities to finance water supply improvements and upgrades. In accordance with the federal law, these funds may also be loaned to private parties. The federal Act requires that a minimum of 20% of State matching funds for each year’s federal capitalization grant be deposited into the fund. For fiscal 2021, at least 20% of the federal funding must be used for loan forgiveness or grants and additional subsidies are required for the use of at least 6% but no more than 35% of the capitalization grant for state-defined disadvantaged communities. Similar to the WQRLF, DWRLF projects are prioritized based on an EPA-approved Drinking Water Project Priority System that focuses on many criteria, the most important being the public health benefit.
- ***Bay Restoration Fund – Wastewater Projects:*** The Bay Restoration Fund (BRF) (Chapter 428 of 2004) was created to address the significant decline in Chesapeake Bay water quality due to

overenrichment of nutrients, such as phosphorus and nitrogen. This dedicated fund, financed in large part by WWTP users, initially was used to provide grants to local governments to upgrade Maryland's 67 major WWTPs with enhanced nutrient removal (ENR) technology as part of reducing an additional 7.5 million pounds of nitrogen per year in order to reach Maryland's commitment under TMDL as implemented by WIP. Chapter 150 of 2012 increased the BRF fee beginning July 1, 2012, and made several other changes including establishing additional uses for the fund beginning in fiscal 2018. Chapter 153 of 2015 (added to the authorized uses of the BRF beginning in fiscal 2016 by providing funding for up to 87.5% of the cost of projects relating to combined sewer overflow (CSO) abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations; this funding authority previously existed between fiscal 2005 and 2009 and was capped at \$5 million annually. The bill also altered the priority of BRF funding beginning in fiscal 2018 by making grants for septic system upgrades, stormwater management, and CSO and sewer abatement projects of equal priority with funding decisions made on a project-specific basis. The funding allocation is up to 100% for eligible capital costs related to planning, design, and construction of ENR technology at targeted WWTPs; up to 87.5% for CSO abatement, rehabilitation of existing sewers and upgrading conveyance systems, including pumping stations; and up to 50% for stormwater project costs. ENR takes wastewater that has gone through the Biological Nutrient Removal (BNR) process and further refines the effluent physically, biochemically, or chemically to an average level of 3.0 milligrams per liter (mg/L) nitrogen and 0.3 mg/L phosphorus. Beginning in fiscal 2018, the funding is now being used to upgrade WWTPs to BNR, which biologically removes the total nitrogen to an average level of 8 mg/L and the total phosphorus to an average level of 2 mg/L prior to discharging the water into the receiving waters. Revenue from this fund also supports upgrades to septic systems. A portion of the funding (\$8 million in the fiscal 2020 allowance) is budgeted in the MDE operating budget for operations and maintenance of WWTPs upgraded to ENR status and \$10 million is budgeted for the Clean Water Commerce Act payments for cost-effective nutrient and sediment reductions.

- ***BRF – Septic System Projects:*** The BRF includes a separate program to fund the replacement of failing septic systems. This program is funded as part of the BRF legislation by a fee on users of septic systems and sewage holding tanks of which 60% of the revenue is allocated to MDE for the Septic System Upgrade Program and 40% to the Maryland Department of Agriculture for the Cover Crop Program. While Chapter 280 of 2009 (Chesapeake Bay Nitrogen Reduction Act) already required best available technology (BAT) for new and replacement systems in the Chesapeake Bay Critical Area or the Atlantic Coastal Bays Critical Area, new regulations finalized in September 2012 expanded septic system upgrade requirements to include BAT for all septic systems serving new construction in the Chesapeake and Atlantic Coastal Bays watersheds and in the watershed of any nitrogen-impaired water body. MDE provides grants to upgrade failing systems and holding tanks with BAT for nitrogen removal. Overall, the program gives priority to projects that involve failing systems in environmentally sensitive areas that are ready to proceed. The program is administered by county governments or other parties; contractors conducting the septic system upgrades are directly reimbursed for their work. Applications are prioritized as follows: (1) failing septic systems or holding tanks in the Critical Areas; (2) failing septic systems or holding tanks outside the Critical Areas; (3) nonconforming septic systems in the Critical Areas; (4) nonconforming septic systems outside of the Critical

Areas; (5) other septic systems in the Critical Areas, including new construction; and (6) other septic systems outside the Critical Areas, including new construction. Homeowners with household income less than or equal to \$300,000 per year are eligible for 100% grants of the BAT cost, and all other homeowners are eligible for grants covering 50% of the cost. Nonprofit entities are eligible for 100% grants. For-profit businesses are eligible for 50% grants. Chapter 379 of 2014 required that up to 10% of the funds in the Septics Account of the BRF be distributed to a local public entity delegated by MDE – local health departments – to cover reasonable costs associated with implementation of MDE regulations pertaining to septic systems that use the BAT for nitrogen removal. MDE adopted a new septic system regulation that became effective on November 24, 2016, which removes the universal requirement that BAT for removal of nitrogen systems be installed outside the Chesapeake and Atlantic Coastal Bays Critical Area for all new construction or replacement septic systems. Chapter 585 of 2018 expanded the authorized uses of the BRF Septics Account to include funding for (1) a local jurisdiction to provide financial assistance to eligible homeowners for the reasonable cost of pumping out septic systems under specified conditions; and (2) in fiscal 2020 and 2021, financial assistance to a local jurisdiction to develop a qualifying septic stewardship plan.

- ***Water Supply Financial Assistance Program:*** The General Assembly created the Water Supply Financial Assistance Program in 1982 to address the deteriorating condition of the State’s water supply infrastructure and the lack of adequate financing available to local governments to upgrade water supply systems. This program provides grants to assist small communities in the acquisition, construction, equipping, rehabilitation, and improvement of publicly owned water supply facilities. The State may provide up to 87.5% of total eligible project costs (not to exceed \$1.5 million per project) and a minimum 12.5% local match is required. In recent years, all assistance has been in the form of grants rather than loans. This program is often used in conjunction with other sources of federal and State financial assistance (such as the DWRLF) to achieve project affordability.
- ***Hazardous Substance Clean-Up Program:*** The Hazardous Substance Clean-Up Program provides funds for cleaning up uncontrolled waste sites listed on the federal National Priorities List (Superfund) and other uncontrolled waste sites within the State that do not qualify for federal funding through the Superfund program. The State provides up to 100% of the costs of cleanup for the projects not included on the National Priorities List. At orphan sites, sites lacking a financially viable responsible party to pay for the cleanup, the State provides 100% of the cost of the preliminary site assessment. In all cases, the program seeks cost recovery when possible from responsible parties. The program also provides the State’s share (10%) of remediation costs for federal Superfund orphan sites with the remainder provided through the federal share (90%).
- ***Mining Remediation Program:*** Where there is no financially viable responsible party, the program provides funding for remediation of abandoned lands and waters impacted by inadequate coal mining reclamation practices prior to the passage of the federal Surface Mine Control and Reclamation Act of 1977. The program works through the Maryland Abandoned Mine Land Division. Projects include reclamation of surface mine high walls and pits,

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stabilization of landslides, restoration of stream banks to address flooding, extinguishing underground coal mine and coal refuse fires, stabilization of coal refuse piles, water supply replacement, stabilizing buildings and roads that are impacted by underground mine subsidence, and acid mine drainage treatment projects.

- ***Comprehensive Flood Management Program:*** Last funded in fiscal 2003, the program provides grant funding to local governments for projects that reduce the risk of loss of life and property from flooding. Grant funds may be used to acquire flood-prone properties for demolition or relocation; install flood warning systems; and construct flood control projects, including engineering studies required to support the design of these projects. Capital projects that assist with flood management techniques may include but are not limited to flood control dams, levees and dikes, stormwater detention or retention structures, and flood proofing. Chapters 651 and 652 of 2019 (Comprehensive Flood Management Grant Program – Awards for Flood Damage and Mandatory Funding) authorize MDE, under its existing Comprehensive Flood Management Grant Program, to award grants to subdivisions that have incurred at least \$1 million in infrastructure damage by a flood event that occurred on or after January 1, 2009. The grants may be for an amount up to 50% of the combined cost of infrastructure repairs, watershed restoration, and emergency work associated with a flood event that may be equal to a certain amount of the total money appropriated to the grant program in specified fiscal years. Chapters 651 and 652 require the Governor to appropriate at least \$3 million in the State budget in fiscal 2021 and 2022, and at least \$2 million in fiscal 2023.