



Prince George's County Financial Assurance Plan



Draft - Not Yet Approved by Prince George's County Council

Meeting the Requirements of the NPDES Municipal Separate Storm Sewer System (MS4) Permit

July 1, 2016

Executive Summary

The Financial Assurance Plan (FAP) is presented in a draft status until such time is approved by the Prince George's County Council, in accordance with the Maryland Department of the Environment (MDE), and as required by SB 863, passed by the Maryland State Legislature in 2015. The draft FAP will be delivered to MDE on June 30, 2016.

This report constitutes Prince George's County's financial assurance plan identifying:

1. Actions that will be required of the County to meet the requirements of its National Pollutant Discharge Elimination System (NPDES) Phase 1 Municipal Separate Storm Sewer System Permit (MS4);
2. Projected annual FY2017, FY 2018 and 5-year costs for the County to meet the impervious surface restoration plan requirements of its NPDES Phase 1 MS4 permit;
3. Projected annual and 5-year revenues or other funds that will be used to meet the impervious surface restoration plan requirements of its NPDES Phase 1 MS4 permit;
4. Any sources of funds that will be utilized by the County to meet the requirements of its NPDES Phase 1 MS4 permit; and
5. Specific actions and expenditures that the County implemented in the previous fiscal year (FY15) to meet its impervious surface restoration plan requirements under its NPDES Phase 1 MS4 permit.

These documents will be introduced to the Prince George's County Council after July 2016, and will be subject to a public hearing currently scheduled for September 2016.



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Introduction

Prince George's County's NPDES MS4 permit, issued on January 2, 2014, requires 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 30,525 acres with either no or partial management, requiring the equivalent of 6,105 acres to be restored to meet the 20% criteria by the end of the permit term in January 1, 2019.

The submission of Prince George's County's Financial Assurance Plan (FAP), as well as the submission of the Watershed Protection and Restoration Program (WPRP) 2015 annual report, is required for compliance with Maryland Environment Article §4-202.1. The attached County's FAP demonstrates that the County has the financial means (75%) to achieve the requirements for FY 2017 and FY 2018 as required by the State Bill.

This FAP lists the activities completed by the County's WPRP for FY14 and FY15, and planned programs / activities from FY16 through FY20. The County's MS4 permit commitment spans from January 2, 2014 through January 1, 2019.

The completion and submission of the FAP is required every two years with this first submittal due on July 1, 2016. The next FAP submittal will address activities through the end of FY18, including revenues and expenditures associated with the County's WPRP restoration activities. This FAP will be updated and re-submitted on or before the anniversary date of the County's NPDES MS4 Permit (January 2, 2019).

According to the requirements for completing the attached FAP, all restoration activities completed by June 30, 2015, 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 the Enterprise Fund (EF5100).

CIP projects that are Ongoing through Permit Term:

- Beginning FY2016, the WPRP implementation is now fully supported by two funds; Stormwater Enterprise Fund (EF5100) and the Watershed Protection and Restoration Enterprise Fund (EF 5200). Types of implementation projects include installation of water quality devices on urbanized areas of the County, which previously had no Stormwater controls. Project types include Bioretention, Infiltration Devices, Pond Retrofits, Green Streets, Stream Restoration, Regenerative Outfall Repairs, Urban Wetlands, and Street Sweeping.
- The County has put in place two CIP programs to address the implementation of the WPRP; the Conventional CIP implemented by DoE's CIP operations, and the Public Private Partnership (P3) implemented by Corvias Group.



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The Operating budget of the two funds in addition to staff support, also fund Street Sweeping, the Raincheck Rebate Program, and Grants to non-profit Organizations to assist in the implementation of the WPRP program.

- Funding for restoration projects by NGOs include grants issued in FY2015 and FY2016 for \$1.05 million and \$1.35 million, respectively, provide additional acres treated towards the WPRP program.
- The Operating fund will support street sweeping as well. This strategy will help the County achieve equivalent acres restored, which will substantially help in reaching the 20% restoration goal.

The FAP Content

Included in the FAP are cost and revenue information. Costs identified include the operating costs for the WPRP, debt service on WPRF bonds, and the County's WPRP grant program to fund restoration projects completed by non-governmental agencies for which the County takes equivalent impervious treatment credits.

On Page 6 of the FAP, actual costs reported for FY14 and FY15, and budgeted figures beyond FY15, were obtained from the County's approved budgets. Pages 2 through 5 of the FAP lists projected costs and project selection types to achieve the MDE's two-year (FY 2017 & FY 2018) 75 percent financial assurance and compliance requirements.

Programmed projects not completed by June 30, 2015, are classified as either under construction, planned, or proposed. Projects considered "under construction" were in the construction phase as of the end of FY15, and are anticipated to be complete at the end of FY16. "Planned projects" are those activities where a design contract has been issued by June 30, 2015. Proposed projects" include restoration activities that had been identified by County project managers but design work has not been initiated.

FAP Sources of Funds:

The County's fund sources are listed on Page 8 of the FAP. The fund sources include operating fund sources, debt service and grants and partnerships. This table explains the percent of the all fund sources directed towards the WPRP goals.

Page 7 of the FAP shows that the County possesses sufficient funding in the current FY and subsequent FY budgets to meet its estimated 75% cost for the two-year period (FY 2017 and FY 2018) following the filing date of the FAP.

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

The projected restoration costs through FY2017 and FY2018 are \$139 million. Costs projected for FY 2019 through FY 2020 are \$180 million. These numbers show substantial CIP project implementation that will be realized during the final year of the permit term.

The projected revenue from FY2017 through FY2018 is \$104 million, which represent 75% funding capacity to meet the objectives of the first two years.



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The County's FY 2016 FAP shows the County has sufficient funding to meet its restoration obligations under the WPRP for the next two years, this is in accordance to the State Mandate Article 4-202.1(j)(2).