



June 21, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Alex Hirtle 
Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement
CB-064-2023 Stormwater Management- Wastewater Protection and Restoration
Program Revenue Obligations.

CB-064-2023 (*proposed by:* Chair Dernoga, at the request of the County Executive)

Assigned to Transportation, Infrastructure, Energy, and Environment (TIEE) Committee

AN ACT CONCERNING STORMWATER MANAGEMENT – WASTEWATER PROTECTION AND RESTORATION PROGRAM REVENUE OBLIGATIONS- MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION LOANS for the purpose of authorizing and empowering Prince George's County, Maryland to borrow money and incur indebtedness not to exceed Forty-Five Million Dollars (\$45,000,000).

Fiscal Summary

Direct Impact:

Expenditures: Additional expenditures required in the form of debt service.

Revenues: None.

Indirect Impact:

Favorable.

Legislative Summary:

CB-064-2023 was presented by the Chair of the Council at the request of the County Executive on June 6th, 2023, and referred to the Transportation, Infrastructure, Energy and Environment (TIEE) Committee. This bill would allow the County to borrow up to Forty-Five Million dollars (\$45,000,000) for stormwater management projects.

Current Law/Background:

The proposed bill authorizes Prince George's County to borrow money and incur debt not to exceed Forty-Five Million dollars (\$45,000,000) under one or more loans covered under agreements, which will be executed by the County and the Maryland Water Infrastructure Financing Administration (MWIFA). MWIFA is a State entity that provides low-interest rate loans and grant funding for clean water and drinking water capital projects across Maryland through revolving loan programs. They receive federal funding from the U.S. Environmental Protection Agency (EPA) and offer below-market interest rate loans to eligible borrowers. The money the County can borrow under this legislation will be related to the provisions of CB-032-2016 pursuant to the Federal Water Quality Act, which approved spending for Phase Two of the Watershed Implementation Plan (WIP II). Projects in the WIP II primarily include (but are not limited to) design, planning, construction, installation, improvement, and expansion of retrofits for the County's Stormwater Management Watershed Protection and Restoration Program. More recent legislation, CB-056-2022 provided additional expenditures and descriptions for the Local Watershed Protection and Restoration Fund, established pursuant to Section 10-301 of the Prince George's County Code.

Resource Personnel:

- Jeffrey DeHan, Associate Director, Stormwater Management Division, Department of the Environment.
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Discussion/Policy Analysis:

The legislation will help in facilitating the County's obligations under its National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permits to store or treat stormwater run-off in mitigating flooding, reducing pollution loads, and achieving impervious surface credits. Funds will be used to retrofit approximately 425 impervious acres on

multiple sites within Prince George's County. Projects will include small rain gardens, large urban retrofit solutions involving suburban drain inlet modifications, pond retrofits, stream and shoreline modifications, Green streets, bio-swales, and other Green infrastructure that will increase the water quality of the County's stormwater. The modifications that are now required on previous development underscores the lack of thought and foresight given to their initial design.

Given the County's obligation to meet State and federal stormwater mandates, and its challenge in obtaining resources to implement capital projects that will reduce pollutants and flooding within our jurisdictional boundaries, the County Council acting as the District Council should scrutinize future development with a keen awareness of each project request and its implications on stormwater run-off. CB-064-2023 is legislation that is timely and necessary for our local businesses, residents, and the environment, and comes at a very high cost to our government.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-064-2023 will authorize the County to borrow money, up to forty-five million dollars (\$45,000,000) to meet its State and federal environmental obligations, while improving the safety and health of its residents. Although loans from the MWIFA will need to be paid back, interest rates are lower than current market rates.

- *Indirect Impact*

Enactment of CB-064-2023 should have a favorable indirect fiscal impact by providing opportunities to local businesses and residents. By utilizing the Urban Stormwater Retrofit Public-Private Partnership the County has set up, expenditures are received by County-based and located businesses, and at least 50% of the work is done by County residents, increasing tax revenue for the County.

- *Appropriated in the Current Fiscal Year Budget*

Yes.

Effective Date of Proposed Legislation:

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.