

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 61-2025

Introduced: March 3, 2025

Auditor: Rebecca Gold

Fiscal Impact:

There is no fiscal impact associated with this legislation. The submission of an updated Financial Assurance Plan (the Plan) to the State of Maryland does not commit the County to incurring additional expenses or recognizing additional revenues. The Plan signifies the County's ability and intention to satisfy the State's requirements for the National Pollutant Discharge Elimination System (NPDES), Municipal Separate Storm Sewer System permit (MS4 permit).

According to the Department of Public Works (DPW), Bureau of Environmental Services, the County has sufficient funding in its FY 2025 Operating and Capital Budgets to satisfy the requirements of the Plan, and it intends to fully fund the requirements through FY 2026 in its proposed budgets.

The following bond amounts have been or are anticipated to be issued to support MS4 efforts:

- \$6.86 million approved in FY 2025 Capital Budget
- \$8.25 million projected for FY 2026 Capital Budget

A million-dollar State funded grant is listed as a projected FY 2026 funding source in the Plan. The DPW indicated that this amount is a place holder, as grant submittals have not been made yet.

Fiscal Year 2025 expenditures have increased in this Plan over prior Plan estimates. The FY 2022 Plan projected \$925,000 in FY 2025 costs, which was based on the amount projected to be available at that time in the Watershed Protection and Restoration Fund by FY 2025. The DPW confirmed that the current expenditures of \$17,476,553, noted on page 21 of the FY 2024 Plan, are reflective of the Watershed Protection and Restoration fee increase approved in FY 2025. This increase of \$16,551,553 was accounted for in the FY 2025 budget request.

Purpose:

This legislation proposes approval of a new Financial Assurance Plan for the County's Municipal Separate Storm Sewer System permit. This updated plan is required for submission to the Maryland Department of the Environment (MDE) every two years to comply with Section 4-202.1 of the Environment Article of the Annotated Code of Maryland.

Other Comments:

The DPW confirmed that a draft submission of the updated Plan has been accepted by the MDE. The County's responsibilities to its previous Plan had been fulfilled in FY 2023 and FY 2024.

Current Impervious Surface Restoration (ISR) goals are on target for completion. The DPW anticipates that approximately 190 acres of ISR will be completed for FY 2025 and FY 2026, based on the completion dates of the related projects.

The DPW indicated that the 559.4 Continued Alternative ISR acres required in the Plan are tasks that get done every year. This amount is averaged over the life of the permit and includes tasks such as street sweeping and inlet cleaning. The DPW projects that approximately 443 ISR acres will be completed by the County for the five-year permit term. A portion of the ISR from capital project tasks will be used to offset the possible shortage in annual tasks.

Capital project locations listed in **Attachment A** will count towards ISR credits, funded by the Watershed Protection and Restoration Fund and from Watershed Bonds.

According to the Watershed Protection Fee cash flow statement (**Attachment B**) provided by the Department of Finance, the ending balance for the fund in FY 2025 is expected to be \$9,571,862. Any excess revenue in the fund above and beyond the amount budgeted will roll to the fund balance and could be allocated for spending in future years. There is no rate increase for this fee planned for FY 2026, according to the DPW.

Attachment A

The following capital project locations will count towards ISR credits, funded by the Watershed Protection and Restoration Fund and from Watershed Bonds:

- Manors of Oakwood
- Cherrytree Farm
- Stonehouse Drive
- Dayton Shop
- New Cut Stream
- Woodland Road
- Woodmark Lake
- Autumn Harvest - Phase 3
- Sucker Branch Downstream
- Wood Creek
- Several Ellicott City Main Street locations
- Country Meadows
- Many Mile Mews
- Spring Valley Chase
- Montgomery Run
- Scottswood Court
- Whiskey Bottom West
- Maple Forest
- Terra Maria
- Temora Manor
- Broadwater Estates
- Mt. Hebron
- Little Foxes
- Painters Hill
- Rutherford Way
- Sharp Road
- Signal Hill
- The Forest Pond
- Willowood
- H-4 Pond
- South Meadow (Willows Pond)

Attachment B

Assumption: Exiting Fee Rate

Howard County Maryland												
Watershed Protection Fee												
Available Funds Projection (SAP 736000000/400100)												
Fiscal	Beginning	Fees	0.05%		Watershed Bonds	Bonds	Watershed	Unused Watershed	Operating	Existing	New	Ending
Year	Balance	Collected	Interest & Misc.	Total	Appropriated	Sold	CIP PAYGO	CIP PAYGO	Expenses	Debt Service	Debt Service	Balance
2014*	-	10,351,596	(48,725)	10,302,871	-	-	7,375,000		1,232,289	-		1,695,582
2015*	1,695,582	11,105,687	36,878	12,838,147	-	-	3,369,951		2,626,829	-		6,841,367
2016*	6,841,367	11,146,490	8,622	17,996,479	-	-	2,808,441		2,962,742	-		12,225,297
2017*	12,225,297	11,111,777	30,000	23,367,074	-	-	6,717,000		3,980,687	-		12,669,387
2018*	12,669,387	10,895,059	144,643	23,709,089	8,800,000	-	7,888,452		3,958,693	-		11,861,944
2019*	11,861,944	9,482,867	442,973	21,787,784	12,550,000	2,564,000	5,765,000		3,829,268	-		12,193,516
2020*	12,193,516	9,701,998	204,906	22,100,420	11,900,000	14,658,366	3,950,000		4,917,613	351,976		13,713,942
2021*	13,713,942	9,810,809	187,409	23,712,159	2,800,000	3,928,001	10,641,380		4,064,843	1,265,834		7,740,102
2022*	7,740,102	9,840,398	(49,532)	17,530,968	10,500,000	1,725,000	-		3,293,783	1,184,852		13,052,333
2023*	13,033,090	10,085,104	626,486	23,744,680	13,650,000	5,450,000			4,525,711	1,411,609	-	17,807,360
2024*	17,807,360	10,251,350	1,411,385	29,470,095	4,530,000	5,862,000	8,090,000		5,713,089	1,789,640		13,877,366
2025	13,877,366	22,895,000	41,939	36,814,304	6,860,000	3,740,263	8,000,000	8,719,479	8,331,600	2,191,364		9,571,862
2026	9,571,862	23,581,850	39,786	33,193,497	8,250,000	4,565,263	8,000,000		8,748,180	2,191,587	285,587	13,968,144
2027	13,968,144	24,289,306	41,984	38,299,433	8,750,000	5,440,263	8,000,000		9,185,589	2,191,179	634,166	18,288,499
2028	18,288,499	25,017,985	44,144	43,350,628	9,250,000	6,365,263	8,000,000		9,644,868	2,191,255	1,049,556	22,464,948
2029	22,464,948	25,768,524	46,232	48,279,704	9,750,000	7,340,263	8,000,000		10,127,112	2,190,922	1,535,575	26,426,096
2030	26,426,096	26,541,580	48,213	53,015,889	10,250,000	8,365,263	8,000,000		10,633,467	2,191,035	2,096,039	30,095,348
2031	30,095,348	27,337,827	50,048	57,433,175		8,365,263			11,165,141	2,191,035	2,734,766	41,342,234
2032	41,342,234	28,157,962	55,671	69,500,196		8,365,263			11,723,398	2,191,544	3,373,494	52,211,760
2033	52,211,760	29,002,701	61,106	81,214,461		8,365,263			12,309,568	2,191,149	4,012,221	62,701,522
2034	62,701,522	29,872,782	66,351	92,574,304		8,365,263			12,925,046	2,191,130	4,650,949	72,807,179
2035	72,807,179	30,768,966	71,404	103,576,145		4,625,000			13,571,298	2,191,316	5,289,677	82,523,854
2036	82,523,854	31,692,034	76,262	114,215,888		3,800,000			14,249,863	2,191,385	5,289,677	92,484,963
2037	92,484,963	32,642,796	81,242	125,127,759		2,925,000			14,962,357	2,191,200	5,289,677	102,684,526
2038	102,684,526	33,622,079	86,342	136,306,605		2,000,000			15,710,474	2,190,851	5,289,677	113,115,603
2039	113,115,603	34,630,742	91,558	147,746,345		1,025,000			16,495,998	2,191,154	5,289,677	123,769,516
2040	123,769,516	35,669,664	96,885	159,439,180					17,320,798	2,029,172	5,289,677	134,799,534
2041	134,799,534	36,739,754	102,400	171,539,287					18,186,838	1,118,206	5,289,677	146,944,567
2042	146,944,567	37,841,947	108,472	184,786,514					19,096,180	886,177	5,289,677	159,514,480
2043	159,514,480	38,977,205	114,757	198,491,685					20,050,989	779,546	5,289,677	172,371,473
2044	172,371,473	40,146,521	121,186	212,517,994					21,053,538	401,756	5,289,677	185,773,023
2045	185,773,023	41,350,917	127,887	227,123,940					22,106,215		5,289,677	199,728,048
*Actual		688,833,837	4,319,842	2,121,464,768	117,840,000	117,840,000	104,605,224		295,544,312	43,685,117	67,979,445	