



REPORT ON STATUS OF THE MARYLAND CLEAN WATER FUND (Fiscal Year 2013)

Prepared by:

Operational Services and Administration Program
Water Management Administration

Prepared for:

Senate Education, Health, and Environmental Affairs Committee

The Maryland General Assembly
Annapolis, MD

Thomas V. Mike Miller, Jr., Senate President
Maryland General Assembly

Michael E. Busch, House Speaker
Maryland General Assembly

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MARYLAND DEPARTMENT OF THE ENVIRONMENT
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I. **EXECUTIVE SUMMARY**

Senate Bill 575, passed during the 2013 legislative session, requires the Maryland Department of the Environment to report on the status of the Maryland Clean Water Fund to the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee in accordance with subsection 2-1246 of the State Government Article, on the status of the Maryland Clean Water Fund. This report was compiled by the Water Management Administration of the Maryland Department of the Environment with input from the Land Management Administration, the Science Services Administration, and the Office of Budget and Infrastructure Financing.

II. MARYLAND CLEAN WATER FUND ACTIVITIES

A. WATER MANAGEMENT ADMINISTRATION

1. Compliance Program:

The Compliance Program is primarily responsible for inspections and enforcement actions of the Water Management Administration. The Program is organized into three inspection divisions geographically located in field offices across the state, and the Program's Enforcement Division, administrative, and support staff centrally located in MDE's Baltimore headquarters. The Water Management Administration issues permits and approvals with requirements and conditions designed to minimize pollution and impacts to resources. The Compliance Program is responsible for inspection and enforcement of permits and authorizations addressing industrial and municipal wastewater discharges to surface and groundwater, construction activities involving sediment control, stormwater management, tidal and nontidal wetlands, waterway construction and individual wells and septic systems.

The inspection divisions in the Compliance Program make inspections and work with the local governments, businesses, and private citizens to ensure they operate or complete their activities in compliance with these issued permits or approvals and achieve the intended environmental results. The Compliance Program staff assist the regulated community by determining the compliance status of sites and explaining federal, state and local environmental laws and regulations. The Program's inspection staff also respond to citizen complaints and, when necessary, take appropriate steps to ensure activities are conducted in compliance with applicable Maryland laws and regulations by developing litigation packages or developing settlements with the violators.

The Compliance Program's Enforcement Division prepares and works closely with the Office of the Attorney General on appropriate formal enforcement actions for violations of issued NPDES (National Pollutant Discharge Elimination System) and State discharge permits, laws and regulations. Based upon the facts of each case, order and penalty actions are taken by the Division to regain compliance, address environmental harm and deter future violations. The Enforcement Division also issues and administers coverage under the joint federal-State NPDES general permit for the discharge of stormwater associated with construction activities.

2. Wastewater Permits Program:

The Wastewater Permits Program operates to protect public health and water quality through federal (NPDES) and State permits for surface water discharges – both industrial and municipal – and control of discharges to groundwater of the State through both State issued permits and through issuance of federally delegated permits for Underground Injection Control. This includes responsibility for implementing Clean Water Act permits to achieve Total Maximum Daily Load (TMDL) requirements for the Chesapeake Bay and local tributaries consistent with Maryland's Watershed Implementation Plan (WIP).

Discharge Permits for Surface Water Discharges:

This functional area affects many of the Department's Stakeholders on a daily basis through permitting activities for both industrial and municipal discharges. These permits implement the public health and water quality protections required by the National Pollutant Discharge Elimination System (NPDES) as mandated under the Federal Clean Water Act and Maryland water quality standards. Included within this functional area is control of industrial stormwater, sewage treatment plants, pretreatment programs (delegated to counties or municipalities), and wastewater discharge of industries such as power plants and mining operations. Applicants include municipalities, counties, federal facilities, schools, and commercial water and wastewater treatment plants, as well as, treatment systems for private residences that discharge to surface waters.

The program also issues general permits for industrial wastewater discharge to increase the efficiency of the Department's permitting process. These permits are developed and issued to broad categories of business activities which are generally very similar in their wastewater characteristics. For example, general permits with standardized permit conditions have been established for surface and groundwater discharges from a variety of categories including mineral mines, marinas, coal mines, and industrial stormwater.

This functional area also controls industrial wastewater discharges into municipal sewer systems. This separate "pretreatment" permit is required for certain facilities that seek to discharge non-domestic wastewater to publicly-owned wastewater treatment works (POTWs). The Department delegates to many counties or municipalities the authority to operate a pretreatment regulatory program. The pretreatment permit is issued locally from the county or municipal wastewater treatment utility (POTW) in consultation with the Department.

State Groundwater Discharge Permits:

State Groundwater Discharge Permits are implemented by the program to protect groundwaters of the State. Discharges include both municipal and industrial wastewaters. Groundwater Discharge Permits control the disposal of treated municipal or industrial wastewater into the State's groundwater via spray irrigation and other land-treatment applications, as well as, into the subsurface by a drainfield or seepage pit. Permit conditions are set to protect water resources, as well as, public health.

3. Sediment, Stormwater and Dam Safety Program:

The Sediment, Stormwater, and Dam Safety Program (SSDS) is responsible for administering three major, statewide programs. These are erosion and sediment control, stormwater management, and dam safety. In order to accomplish its mission regarding these programs, the SSDS is organized by three separate divisions.

Sediment and Stormwater Plan Review Division:

Reviews State and Federal construction project plans for conformance with state standards and policies relating to controlling runoff during and after construction.

Additionally, this division shapes technical policy and provides technical assistance to local governments and the private sector with regard to stormwater management and sediment control.

Program Review Division:

Oversees the sediment control and stormwater management programs administered by counties and municipalities and is responsible for issuing National Pollutant Discharge Elimination System (NPDES) municipal stormwater permits required under the Clean Water Act. This Division also provides sediment control and stormwater management policy guidance, sediment control training, and technical assistance to local governments and the private sector regarding best management practices and new sediment control and stormwater management technology.

Dam Safety Division:

Performs existing dam safety inspections; issuing new dam construction permits; evaluating and performing structural, hydrologic, and hydraulic analyses associated with new dam permit applications; and approving modifications to existing structures. Additionally, this Division reviews, approves, and exercises emergency warning plans for “high” and “significant” hazard dams to ensure public safety during emergency situations and unusual weather events.

4. Wetlands and Waterways Program:

The Wetlands and Waterways Program is responsible for the management, conservation, and protection of Maryland’s wetland and waterway resources, including tidal wetlands, nontidal wetlands, and nontidal waterways, including the 100-year floodplain. In general, the regulation of nontidal wetlands and waterways affects land development interests, and the regulation of tidal wetlands affect riparian property owners (construction of shoreline protection and piers) and the boating public (construction of marinas and dredging of channels). Another important distinction is that, while regulated activities conducted in nontidal wetlands affect private property owners, regulated activities conducted in tidal wetlands typically affect submerged lands owned by the State and held in trust for the benefit of the public.

The Program is comprised of four Divisions, including the Tidal Wetlands Division, the Nontidal Wetlands Division, the Waterway Construction Division, and the Regulatory Services Division. Each Division plays a vital role in maintaining the health and function of the Chesapeake and Coastal Bays. The functions and values of the natural resources protected by these Divisions include fish and wildlife habitat and migration; water quality enhancement; natural shoreline protection; flood protection; recreational opportunities; and aesthetics. For wetlands, in particular, a statutory goal has been established to achieve "no net loss" of wetland acreage and function and to strive for a net gain in wetlands over time. This goal is achieved through the regulatory program’s permit application process, which focuses on the avoidance and minimization of impacts associated with development.

Tidal Wetlands Division:

Regulates activities conducted in tidal wetlands and waters. A license or permit must be obtained before a person dredges, fills or otherwise alters a tidal wetland.

Nontidal Wetlands Division:

Implements a comprehensive program designed to avoid and minimize impacts to nontidal wetland by evaluating proposed activities on nontidal wetlands and their regulated buffers.

Waterway Construction Division:

Regulates manmade changes to nontidal waterways that affect their course, current or cross-section. The Waterway Construction Division ensures that activities in a waterway or its 100-year floodplain do not create flooding on upstream or downstream property, maintain fish habitat and migration, and protect waterways from erosion.

The regulatory process for each of the above Divisions incorporates a federal Clean Water Act, Section 401 Water Quality Certification, as applicable, to ensure that requested activities do not violate State water quality standards. In addition, for activities affecting the State's coastal zone, these Divisions evaluate proposed federal activities to ensure consistency with the State's Coastal Zone Management Program objectives and policies.

Regulatory Services Division:

Responsible for providing support services to the other Divisions within the Program, including coordination of the initial permit application process, database management, and tidal and nontidal mitigation activities, required for all unavoidable impacts authorized by the Program through its regulatory program. The Division is also the State liaison for 122 Maryland communities that participate in the National Flood Insurance Program (NFIP) administered by the Federal Emergency Management Agency (FEMA) through the Community Assistance Program (CAP).

B. LAND MANAGEMENT ADMINISTRATION

The Land Management Administration (LMA) contributes to the Clean Water Fund from the Sewage Sludge Generator fees, the Sewage Sludge Utilization (SSU) Permit Application fees, and penalties for violations of SSU Permits and the General Discharge Permit for Animal Feeding Operations (AFOs).

LMA uses these funds for costs associated with salaries and fringe, operating costs, Inspection and Monitoring of Sewage Sludge Utilization Activities Agreements with four (4) counties, contractual work for AFO Section and NPDES permit inspections.

C. SCIENCE SERVICES ADMINISTRATION

Field Services Program:

Water quality monitoring is required by the federal Clean Water Act to determine whether Maryland water quality standards are being met in our streams, rivers, lakes, reservoirs and tidal waterways. Responsibilities of this program include Compliance Monitoring, Water Quality Monitoring, Drinking Water Monitoring, TMDL & Shellfish Monitoring and Intensive & Technical Studies.

TMDL Technical Development Program:

The federal Clean Water Act requires that States ensure that all waterways meet water quality standards by determining the pollution sources and pollution limits necessary to maintain water quality standards. For all waters that do not meet standards, the State must determine the Total Maximum Daily Load (TMDL) that must be achieved to maintain standards and describe the pollution control programs necessary to meet the TMDL.

Responsibilities of this program include Watershed/Water Quality Modeling, Waste Load Modeling, TMDL Coordination & Outreach, TMDL Technical Reports, Watershed and Water Quality Management & Analysis, TMDL Field Monitoring.

Water Quality Protection & Restoration Program:

Responsibilities include TMDL Implementation and Section 319 Non-point Source Program Coordination.

III. FINANCIAL STATEMENT

FY 2013, July 1, 2012 – June 30, 2013

| | |
|---|--------------|
| A. Beginning Fund Balance 7/01/12 | \$ 15,994.81 |
| All Open Encumbrances (FY 2011 - FY 2012) | 167,621.08 |
| Reconciled Adjusted Balance | \$183,615.89 |

| | |
|--------------------------------|-------------------|
| B. <u>FY 2013 Receipts</u> | |
| Permit Fees | \$ 871,758.26 |
| Fines & Penalties | 4,570,585.24 |
| Fees | 568,115.73 |
| Revenue Accrued in prior years | <u>289,779.71</u> |
| Total | \$6,300,238.94 |

| | |
|--|----------------|
| C. Total Funds available FY 2013 (A+B) | \$6,483,854.83 |
|--|----------------|

D. FY 2013 Expenditures

| | |
|--|-----------------------|
| Salaries and Wages | \$2,084,894.88 |
| Technical and Special Fees | 177,930.20 |
| Communications | 22,936.87 |
| Travel | 3,484.00 |
| Fuel and Utilities | 757.27 |
| Motor Vehicle Operations and Maintenance | 202,427.90 |
| Contractual Services | 125,418.80 |
| Supplies and Materials | 9,677.21 |
| Equipment | 12,593.88 |
| Grants | 100,265.47 |
| Fixed Charges | 7,256.94 |
| Total Expenditures | \$2,747,643.42 |

| | |
|-------------------|--------------|
| E. Indirect Costs | \$368,733.75 |
|-------------------|--------------|

| | |
|--|----------------|
| F. Year End Fund Balance 6/30/13 (C-D-E) | \$3,367,477.66 |
|--|----------------|

Fund Expenditures by Administration

FY 2013, July 1, 2012 – June 30, 2013

| | WMA | LMA | SSA | Website Revamp | Total Expenditures |
|--|-----------------------|---------------------|---------------------|--------------------|-----------------------|
| Salaries and Wages | \$1,765,866.12 | \$249,861.21 | \$69,167.55 | 0 | \$2,084,894.88 |
| Technical and Special Fees | \$177,930.20 | 0 | 0 | 0 | \$177,930.20 |
| Communications | \$22,936.87 | 0 | 0 | 0 | \$22,936.87 |
| Travel | \$3,475.31 | \$.78 | \$7.91 | 0 | \$3,484.00 |
| Fuel and Utilities | \$757.27 | 0 | 0 | 0 | \$757.27 |
| Motor Vehicle Operations and Maintenance | \$181,994.90 | 0 | \$20,433.00 | 0 | \$202,427.90 |
| Contractual Services | \$19,976.78 | \$42.08 | \$89,640.74 | \$15,759.20 | \$125,418.80 |
| Supplies and Materials | \$9,677.21 | 0 | 0 | 0 | \$9,677.21 |
| Equipment | \$12,593.88 | 0 | 0 | 0 | \$12,593.88 |
| Grants | \$76,932.14 | 0 | \$23,333.33 | 0 | \$100,265.47 |
| Fixed Charges | \$7,256.94 | 0 | 0 | 0 | \$7,256.94 |
| Total Expenditures | \$2,279,397.62 | \$249,904.07 | \$202,582.53 | \$15,759.20 | \$2,747,643.42 |