



Maryland
Department of
the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

December 17, 2019

The Honorable Thomas V. Mike Miller, Jr.
President of Senate
State House, H-107
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Speaker of House of Delegates
State House, H-101
Annapolis, MD 21401-1991

The Honorable Joan Carter Conway
Chair, Senate Education, Health and
Environmental Affairs Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401-1991

The Honorable Kumar P. Barve
Chair, House Environment and
Transportation Committee
251 House Office Building
6 Bladen Street
Annapolis, MD 21401-1991

Re: Maryland Clean Water Fund Annual Reports

Dear President Miller and Speaker Busch, and Chairs Conway and Barve:

As required by §9-320 (h) of the Environment Article, the Maryland Department of the Environment is required to submit a report in accordance with §2-1246 of the State Government Article each year. The report is to provide the status of the Maryland Clean Water Fund, including a detailed description of all revenues and expenditures of the Fund for the previous year. The report for fiscal year 2017 is enclosed.

Please contact me or have a member of your staff contact Ms. Brenda Raivel at (410) 537-3621 if you have any questions or need additional information.

Sincerely,

Ben Grumbles
Secretary

Enclosure

cc: Sarah Albert, Department of Legislative Services, Mandated Report Specialist



MARYLAND

Department of the Environment

CLEAN WATER FUND

– FISCAL YEAR 2017 –

Prepared for:

Larry Hogan, Governor
State of Maryland

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

Michael E. Busch, House Speaker
Maryland General Assembly

House Environment & Transportation Committee

Senate Education, Health and Environmental Affairs Committee



MARYLAND DEPARTMENT OF THE ENVIRONMENT
1800 Washington Boulevard | Baltimore, MD 21230 | www.mde.state.md.us/recycling
410-537-3314 | 800-633-6101 x3314 | TTY Users: 800-735-2258
Lawrence J. Hogan, Jr., Governor | Boyd K. Rutherford, Lt. Governor | Ben Grumbles, Secretary



TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY.....	1
II.	MARYLAND CLEAN WATER FUND ACTIVITIES	
A.	Water Management Administration	
1.	Compliance Program.....	2
2.	Wastewater Permits Program	2-4
3.	Sediment, Stormwater and Dam Safety Program	4
4.	Wetlands and Waterways Program.....	4-6
B.	Land Management Administration	7
C.	Science Services Administration	
1.	Field Services Program.....	7
2.	TMDL Technical Development Program.....	7
3.	Water Quality Restoration & Accountability Program.....	7
III.	FINANCIAL STATEMENT.....	8-9

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 (WMA). 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. WMA issues permits and approvals with requirements and conditions designed to minimize pollution and impacts to resources. The 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 Program perform inspections and works with 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 Program's staff assists 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 responds to citizen complaints, and when necessary, takes 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 Enforcement Division in the Program prepares and works closely with the Office of the Attorney General on appropriate formal enforcement actions for violations of issued National Pollutant Discharge Elimination System (NPDES) 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 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 National Pollutant Discharge Elimination System (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). Finally, this program also is responsible for individual wells and septic systems by overseeing programs delegated at the local level.

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 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 local 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 (POTW). The Department delegates to many local municipalities the authority to operate a pretreatment regulatory program. The pretreatment permit is issued locally from the 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.

Onsite Systems Delegation

This functional area provides technical guidance and regulatory interpretations to County approving authorities regarding the disposal of domestic sewage through onsite systems. Assistance is also provided through training by conducting various sewage disposal courses. Technical expertise in soils and hydrology is provided to the delegated programs

related to installation of on-site sewage disposal systems. Assistance is also provided by the program in the design of on-site sewage disposal systems including designs for repairs. Training of delegated program staff is also provided for innovative and alternative sewage disposal options.

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 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; issues new dam construction permits; evaluates and performs structural, hydrologic and hydraulic analyses associated with new dam permit applications; and approves 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:

Maryland’s Wetlands and Waterways Program is responsible for the management, conservation, and protection of wetland and waterway resources through regulation development and interpretation and implementation of permitting programs. Aquatic resources managed under the Program include tidal wetlands, nontidal wetlands, and nontidal waterways, including the 100-year nontidal floodplain. In general, the regulation of nontidal wetlands and waterways affects land development interests, and the regulation of tidal wetlands affects 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 affects private property owners, regulated activities conducted in tidal wetlands typically affects submerged lands owned by the State and held in trust for the benefit of the public. The Program coordinates extensively with the Army Corps of Engineers, which is responsible for implementing the federal dredge and fill permitting program under the Clean Water Act.

The Program is comprised of three Divisions, the Tidal Wetlands Division, the Nontidal Wetlands Division, and the Waterway Construction Division and a permit application in-processing unit. Each Division plays a vital role in maintaining the health and function of the Chesapeake and Coastal Bays as well as all waters of the State. 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.

The Wetlands and Waterways Program also has lead responsibility within MDE for implementing the federal Clean Water Act (CWA), Section 401 Water Quality Certification (WQC) requirements, and the Section 307 Federal Consistency provisions of the federal Coastal Zone Management Act (CZMA). The wetlands and waterways regulatory process implemented by each Division of the Program incorporates the CWA Section 401 WQC requirements, and the Section 307 Federal Consistency provisions of the CZMA. Section 401 of the CWA requires that any applicant for a federal permit or license to conduct an activity that results in a discharge to waters of the U.S. obtain a WQC from the State which certifies that the proposed discharge will not result in a violation of the State's water quality standards. Section 307 of the CZMA requires that proposed federal activities, including direct federal actions, federal licenses or permits, and assistance to State and local governments, that have reasonably foreseeable effects on the State's coastal resources or uses, be consistent, to the maximum extent practicable with the enforceable policies of the State's federally-approved Coastal Zone Management Program. Maryland's CZMP is a "networked program" that is based on existing State laws and regulations. Thus, the Federal Consistency determination is a statement that a proposed federal action complies with, and will be conducted in a manner consistent with applicable State laws and regulations. The vast majority of WQCs and Federal Consistency decisions made by the Program are for CWA, Section 404 discharges requiring a permit from the Corps of Engineers. A 401 WQC is required whenever there may be a discharge to water associated with a federal license or permit. This includes licenses and permits issued by the Federal Energy Regulatory Commission (FERC).

Tidal Wetlands Division:

Regulates activities conducted in tidal wetlands and waters by avoiding and minimizing proposed impacts and requiring mitigation for impacts determined to be unavoidable. Authorization must be obtained before a person dredges, fills or otherwise alters a tidal wetland. The form of authorization is either a tidal wetlands license (for activities on state tidal wetlands) or a tidal wetlands permit (for activities on private tidal wetlands). The Board of Public Works, consisting of the Governor, State Treasurer, and Comptroller of Maryland is responsible for licensing activities on state tidal wetlands. The Board has issued a General License for certain types of routine activities, and delegated to the Department the authority to review qualification under the General License, on the Board's behalf. Projects that exceed the scope of the General License require approval by the Board itself. Generally speaking, only very large or unusual projects require Board review.

Nontidal Wetlands Division:

This Division regulates new or restorative activities conducted in nontidal wetlands and their regulated buffers (generally 25-feet although it is expanded to 100 feet for wetlands of special State concern or wetlands adjacent to steep slopes that contain highly erodible soils) through the implementation of a comprehensive program designed to avoid and minimize proposed impacts and to mitigate for impacts determined to be unavoidable. A permit or Letter of Authorization must be obtained from the Department prior to conducting a regulated activity. This Division also oversees the implementation of mitigation activities required for all unavoidable impacts authorized by the Wetlands and Waterways Program through its permitting program.

Waterway Construction Division:

This Division regulates manmade changes to nontidal waterways that affect their course, current or cross-section. The Division ensures that activities in a nontidal waterway or its 100-year floodplain do not create flooding on adjacent property, maintain fish habitat and migration, and protect waterways from erosion associated with new construction and restoration projects.

Regulatory Services Division:

This Division provides screening and in-processing of permit applications. They also oversee the implementation of mitigation activities required for all unavoidable impacts authorized by the Wetlands and Waterways Program through its permitting program. The oversight of the National Floodplain Insurance Program is also implemented in this Division, allowing for the digitization of the Flood Insurance Rate Maps (FIRM) and ensuring public review and access to the maps.

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 (AFO).

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

1. Field Services Program:

Responsibilities include compliance monitoring, water quality monitoring, drinking water monitoring, total maximum daily load (TMDL), shellfish and intensive monitoring, intensive and technical studies, Section 319 monitoring, fish kill response, algae bloom response and monitoring, Tier II monitoring, shoreline survey inspections, aquaculture site assessment and monitoring.

2. TMDL Technical Development Program:

Implement the State's requirements of the Federal Clean Water Act (CWA) Section 303(d). Responsibilities include water quality data analyses, watershed/water quality modeling which includes point and nonpoint source (NPS) modeling, TMDL development for impaired waters of the State, geographic information systems (GIS) to support TMDL development; TMDL coordination and outreach, TMDL technical reports, TMDL data center management; GIS and technical and analytical support for Chesapeake Bay TMDL and Watershed Implementation Plan (WIP) related activities; municipal separate storm sewer system (MS4), and stormwater waste load allocation (WLA) implementation plans review. The Program also manages CWA Section 604(b) Water Quality Planning Management Grant.

3. Water Quality Restoration & Accountability Program:

Responsibilities include TMDL implementation planning, tracking and analysis related to nonpoint and point source pollution controls to attain State and Chesapeake Bay TMDL goals. Produce annual progress reports on Chesapeake Bay restoration and other local restoration success stories. Administer two Federal Clean Water Act grant programs: The CWA Section 319 NPS Program and the CWA Section 117 Chesapeake Bay Regulatory and Accountability Grant. The Program leads the Administration's Clearinghouse review process and coordinates MS4, WLA and TMDL Plan review. The Program is also responsible for policy development, legislative coordination and acts as liaison to State interagency working groups, and watershed partnerships such as those for the Maryland Coastal Bays, the Anacostia River, the Patuxent River and Deep Creek Lake.

III. FINANCIAL STATEMENT

FY 2017, July 1, 2016 – June 30, 2017

A. Beginning Fund Balance (7/01/16)	\$1,914,640.19
All Open Encumbrances (FY 2015 - FY 2016)	<u>357,230.36</u>
Reconciled Adjusted Balance	\$2,271,870.55

B. <u>FY 2017 Receipts</u>	
Permit Fees	\$ 926,305.00
Fines & Penalties	\$1,718,897.23
Fees	\$ 435,696.90
Revenue Accrued in prior years	<u>\$ 151,141.65</u>
Total	\$3,232,040.78

C. Total Funds available FY 2017 (A+B)	\$5,503,911.33
--	----------------

D. FY 2017 Expenditures

Salaries and Wages	3,154,051.59
Technical and Special Fees	107,747.11
Communications	60,908.54
Travel	19,513.35
Vehicle Replacement, Operations, and Maintenance	286,450.51
Contractual Services	65,538.92
Supplies and Materials	12,206.47
Equipment	134,462.10
Grants	187,287.87
Fixed Charges	10,099.28
Total Expenditures	4,038,265.74

E. Indirect Costs	\$ 660,256.45
-------------------	---------------

F. Year End Fund Balance 6/30/17 (C-D-E)	\$ 805,389.14
--	---------------

Fund Expenditures by Administration

FY 2017, July 1, 2016 – June 30, 2017

	WMA	LMA	SSA	Total Expenditures
Salaries and Wages	2,048,955.29	1,033,683.97	71,412.33	3,154,051.59

Technical and Special Fees	106,095.91	1,651.20	0.00	107,747.11
Communications	52,243.97	8,664.57	0.00	60,908.54
Travel	13,767.90	1,668.57	4,076.88	19,513.35
Vehicle Replacement, Operations and Maintenance	244,755.10	16,748.41	24,947.00	286,450.51
Contractual Services	58,489.02	7,049.90	0.00	65,538.92
Supplies and Materials	10,591.15	1,615.32	0.00	12,206.47
Equipment	133,592.65	869.45	0.00	134,462.10
Grants	185,289.37	1,998.50	0.00	187,287.87
Fixed Charges	8,189.00	1,910.28	0.00	10,099.28
Total Expenditures	2,861,969.36	1,075,860.17	100,436.21	4,038,265.74