



**Maryland**  
Department of  
the Environment

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

Ben Grumbles, Secretary  
Horacio Tablada, Deputy Secretary

February 26, 2021

The Honorable Bill Ferguson  
President  
Senate of Maryland  
State House, H-107  
Annapolis Maryland 21401

The Honorable Adrienne A. Jones  
Speaker  
Maryland House of Delegates  
State House, H-101  
Annapolis Maryland 21401

Re: EN §9-320 (h) SB 575/CH.502, 2013

Dear President Ferguson and Speaker Jones:

I am pleased to provide you with the *Clean Water Fund (Fiscal Years 2018-2020)* prepared as required Pursuant to §9-320(h) of the Environment Article, the Maryland Department of the Environment (Department or MDE) must 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.

This report is the culmination of numerous federal and state employees' hard work and the support of you and other elected officials. All are commended for their effort in developing and implementing this important environmental program for improving local water resources and restoring the Chesapeake Bay.

If you would like to further discuss this report, please call me at 410-537-3084 or D. Lee Currey, Director, Water and Science Administration at 410-537-3567 or by email at [lee.currey@maryland.gov](mailto:lee.currey@maryland.gov).

Sincerely,

Ben Grumbles  
Secretary

Enclosure

cc: Sarah Albert, Department of Legislative Services (5 copies)



## CLEAN WATER FUND

– FISCAL YEARS: 2018, 2019 and 2020 –

Prepared for:

Larry Hogan, Governor  
State of Maryland

Bill Ferguson, Senate President  
Maryland General Assembly

Adrienne A. Jones, House Speaker  
Maryland General Assembly

House Environment & Transportation Committee

Senate Education, Health and Environmental Affairs Committee

December 2020



MARYLAND DEPARTMENT OF THE ENVIRONMENT  
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Lawrence J. Hogan, Jr., Governor | Boyd K. Rutherford, Lt. Governor | Ben Grumbles, Secretary



## **I. EXECUTIVE SUMMARY**

Pursuant to §9-320(h) of the Environment Article, the Maryland Department of the Environment (Department or MDE) must 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. This report was compiled by the MDE Water and Science Administration (WSA) for FY18, FY19, and FY20, with input from the MDE Land and Materials Administration, and the MDE Office of Budget and Infrastructure Financing.

## **II. MARYLAND CLEAN WATER FUND ACTIVITIES**

### **A. WATER AND SCIENCE ADMINISTRATION**

WSA contributes to the Clean Water Fund from the fees and penalties for violations of applicable permits.

WSA uses these funds for costs associated with salaries and fringe, operating costs in the following programs:

#### **1. Compliance Program:**

The Compliance Program is primarily responsible for inspections and enforcement actions of WSA. 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. WSA issues permits and approvals with requirements and conditions designed to minimize pollution and impacts to resources. The program is responsible for inspection, audit 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, and waterway construction.

#### **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 requirements for the Chesapeake Bay and local tributaries consistent with Maryland's Watershed Implementation Plan.

**3. Sediment, Stormwater and Dam Safety Program:**

The Sediment, Stormwater, and Dam Safety Program is responsible for administering three major statewide programs: erosion and sediment control, stormwater management, and dam safety.

**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).

**5. Field Services Program:**

The Field Services Program currently provides field support to WSA as well as to a diverse variety of permitting and enforcement units within the Department responsible for multiple (state and federally mandated) monitoring functions.

**B. LAND AND MATERIALS 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 counties, contractual work for AFO Section and NPDES permit inspections.

**III. FINANCIAL STATEMENTS**

Following are the financial statements for fiscal years: FY18, FY19, and FY20.

**FY18 (July 1, 2017 – June 30, 2018)**

A. Beginning Fund Balance (7/01/17)	\$ 486,167.95
All Open Encumbrances (FY16 - FY17)	<u>319,221.19</u>
Reconciled Adjusted Balance	\$ 805,389.14
B. <u>FY18 Receipts</u>	
Permit Fees	\$ 847,495.08
Fines & Penalties	\$ 1,184,364.90
Fees	\$ 423,014.11
Revenue Accrued	<u>\$ (224,504.34)</u>
Total	\$ 2,230,369.75
C. Total Funds available FY18 (A+B)	\$ 3,035,758.89

D. FY18 Expenditures

Salaries and Wages	1,033,400.87
Technical and Special Fees	61,649.29
Communications	62,373.64
Travel	12,901.90
Vehicle Replacement, Operations, and Maintenance	243,210.01
Contractual Services	42,509.83
Supplies and Materials	8,202.93
Equipment	146,496.70
Grants	778,641.43
Fixed Charges	8,655.00
<b>Total Expenditures</b>	<b>2,398,041.60</b>

E. Indirect Costs	\$ (392,079.80)
F. Year End Fund Balance 6/30/18 (C-D-E)	\$ 245,637.49

**FY19 (July 1, 2018 – June 30, 2019)**

A. Beginning Fund Balance (7/01/18)	\$ 155,093.01
All Open Encumbrances (FY16 - FY18)	<u>90,544.48</u>
Reconciled Adjusted Balance	\$ 245,637.49

B. <u>FY19 Receipts</u>	
Permit Fees	\$ 868,374.85
Fines & Penalties	\$1,647,280.53
Fees	\$ 458,112.06
Revenue Accrued	<u>\$ 33,839.13</u>
Total	\$3,007,606.57

C. Total Funds available FY19 (A+B)	\$3,253,244.06
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D. FY19 Expenditures

Salaries and Wages	1,259,736.05
Technical and Special Fees	78,449.49
Communications	61,312.41
Travel	6,529.39
Vehicle Replacement, Operations, and Maintenance	287,096.59
Contractual Services	254,969.42
Supplies and Materials	11,407.09
Equipment	-81,411.38
Grants	114,340.34
Fixed Charges	9,668.97
<b>Total Expenditures</b>	<b>2,002,098.37</b>

E. Indirect Costs	\$ 283,096.71
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F. Year End Fund Balance 6/30/19 (C-D-E)	\$ 968,048.98
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**FY20 (July 1, 2019 – June 30, 2020)**

A. Ending Fund Balance (6/30/19)	\$ 347,910.12
All Open Encumbrances (FY16 - FY19)	<u>620,138.86</u>
Reconciled Adjusted Balance	\$ 968,048.98

B. <u>FY20 Receipts</u>	
Permit Fees	\$ 472,298.40
Fines & Penalties	\$ 781,911.34
Fees	\$ 483,347.52
Revenue Accrued	<u>\$ -110,956.59</u>
Total	\$1,626,600.67

C. Total Funds available FY20 (A+B) \$2,594,649.65

D. FY20 Expenditures

Salaries and Wages	1,022,177.01
Technical and Special Fees	2,756.08
Communications	62,798.37
Travel	5,955.15
Vehicle Replacement, Operations, and Maintenance	84,676.78
Contractual Services	112,633.06
Supplies and Materials	4,320.03
Equipment	152,136.14
Grants	487,975.00
Fixed Charges	17,695.38
<b>Total Expenditures</b>	<b>1,953,123.00</b>

E. Indirect Costs \$ 300,788.77

F. Year End Fund Balance 6/30/20 (C-D-E) \$ 340,737.88