

**Maryland Department of the Environment’s (MDE) Review of  
Anne Arundel County’s 2020 Financial Assurance Plan (FAP)**

Plan Condition	MDE Assessment and Recommendations
<p>Demonstration of Sufficient Funding</p>	<ul style="list-style-type: none"> <li>• Annotated Code of Maryland ENV § 4-202.1(j) requires Phase I Municipal Separate Storm Sewer System (MS4) permitted jurisdictions to submit the FAP every 2 years on the anniversary of the date of issuance of its permit (i.e., February 12, 2021). Anne Arundel County submitted the FAP to MDE on February 8, 2021.</li> <li>• A public hearing was held and the County Council voted to approve the FAP in Resolution No. 4-21 on February 1, 2021. A copy of the signed resolution was submitted with the FAP.</li> <li>• The “ISRP Revenue” table showed that in FY2021 and FY2022, annual revenue appropriated for restoration efforts would cover the annual cost for the next two years. The total projected revenue over the two-year period is 110% of the cost.</li> </ul>
<p>Actions to Meet Permit Requirements   (“All Actions” worksheet)</p>	<ul style="list-style-type: none"> <li>• The County met the 20% ISRP requirement before the permit expired on February 11, 2019. The permit is currently administratively continued.</li> <li>• Specific best management practices (BMPs) were listed in the spreadsheet in various stages of planning and implementation.</li> <li>• The County planned a diverse mixture of BMP types over the next two years, including stream restoration, outfall and shoreline stabilization, a mixture of upland BMPs including bioretention, extended wet detention, and storm drain vacuuming, and catch basin cleaning.</li> <li>• Over the next two years, 1,968 acres of restoration are projected to be completed, including 526 acres from annual operational BMPs, 1,403 from capital projects, and 40 acres from other BMP types. During the next five years, the County plans to restore 5,045 acres.</li> <li>• All formulas were filled out correctly, and all required fields were populated.</li> </ul>
<p>Annual and Projected Costs   (“All Actions” and “ISRP Costs” worksheet)</p>	<ul style="list-style-type: none"> <li>• The cost per acre over the next five years is approximately \$56,000 for capital BMPs, and \$21,840 for operational BMPs.</li> <li>• In the “All Actions” and “Spec Actions” tables, the implementation cost was indicated as \$0 for septic pumping (i.e., SEPP) and for various privately-funded BMPs. The Watershed Protection and Restoration Program tables submitted with the County’s 2020 stormwater program annual report do not identify funding sources for the septic pumping activity in FY2020. Future FAPs should indicate in the “All Actions” and “Fund Sources” tables the source of funding for this activity. Additionally, the County should indicate the source of funding for any other activity or specify that the activity has no cost, e.g., volunteer activity.</li> <li>• In the “ISRP Cost” table, costs were reported for all required fiscal years and all formulas were used correctly. For FY2021-FY2022, the County reports a total ISRP cost of \$105.7 million.</li> </ul>

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Plan Condition	MDE Assessment and Recommendations
<p>Annual and Projected Revenues</p> <p>(“ISRP Revenue” worksheet)</p>	<ul style="list-style-type: none"> <li>• Revenues were reported for all required fiscal years, and all formulas were used correctly.</li> <li>• For the next two fiscal years, the projected annual revenue exceeds the cost (110%). Revenues were projected at \$116.0 million and there was a projected cost of \$105.7 million over the same period.</li> </ul>
<p>Funding Sources</p> <p>(“Fund Sources” worksheet)</p>	<ul style="list-style-type: none"> <li>• Funds were reported for all required fiscal years, and all formulas were used correctly.</li> <li>• The sum of funding sources exceeds the projected revenues for the next two years. Specifically, funding sources for the next two years are 110% of the projected ISRP cost.</li> <li>• The majority of annual funds to meet permit requirements for the next two fiscal years will be funded by PAYGO sources (47%), including the stormwater utility fee (41%) and by Revenue Bonds (50%). This is in conformance with previous years, although there is a small shift toward the use of the Revenue Bonds.</li> <li>• State funded grants (\$3.7M, or 3.1%) were reported.</li> <li>• Sources of funds for the next two years include:               <ul style="list-style-type: none"> <li>○ Bonds = \$58.0M</li> <li>○ Stormwater Remediation Fees = \$47.6M</li> <li>○ State Grants = \$3.7M</li> <li>○ General Funds = \$3.4M</li> <li>○ Interfund Recoveries = \$1.8M</li> <li>○ Investment Income = \$1.6M</li> <li>○ Total Funding Sources = \$116.0M</li> </ul> </li> </ul>
<p>Specific Actions and Expenditures from Previous Fiscal Years</p> <p>(“Spec Actions” worksheet)</p>	<ul style="list-style-type: none"> <li>• The County reported specific BMPs completed between calendar year 2012 and the expiration of its previous permit term.</li> <li>• A total 5,112 acres of restoration was completed up to the present at a cost of approximately \$15,930 per acre.</li> <li>• Actions and expenditures were reported for all required fiscal years, and all formulas were used correctly.</li> </ul>