



ANNE ARUNDEL COUNTY GOVERNMENT RELATIONS OFFICE

Legislative and Fiscal Summary of Administration Legislation

To: Members, Anne Arundel County Council

From: Ethan Hunt, Director of Government Affairs /s/
via Erik Michelsen, Chief, Bureau of Watershed Protection and Restoration /s/

Date: October 5, 2026

Subject: Resolution No. 35-26 – RESOLUTION approving Anne Arundel County’s 2026 Financial Assurance Plan for compliance with the National Pollutant Discharge Elimination Phase I Municipal Separate Storm Sewer System Permit

This summary was prepared by the Anne Arundel County Government Relations Office for use by members of the Anne Arundel County Council during consideration of Resolution No. 35-26.

Summary

Anne Arundel County’s National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit, issued November 5, 2021, requires that the County complete restoration efforts to achieve the equivalent of treating 2,998 acres of impervious surfaces not previously restored to the maximum extent practicable. In addition, the County must continue the same level of programmatic implementation for its annual alternative control practices, equivalent to 199 acres of impervious surface restored, to maintain compliance with the prior MS4 permit’s restoration requirement.

The submission of Anne Arundel County’s Financial Assurance Plan (FAP), as well as the submission of the Bureau of Watershed Protection and Restoration (BWPR) annual report, is required for compliance with Maryland Environment Article §4-202.1. The attached FAP is submitted to show that the County has the financial means to achieve the permit requirements. This FAP addresses the activities completed by the County’s BWPR from FY22 through FY26, and the planned and programmed activities from FY27 through FY31.

The completion and submission of the FAP is required every two years. This, the second FAP under the County’s new MS4 permit, is to be submitted on or before the November 5, 2026 due date, based upon the MS4 permit issuance date. A copy of this FAP will also be submitted as an appendix to the MS4 permit annual progress report on or before December 31, 2026.

Note: This Legislative and Fiscal Summary provides a synopsis of the legislation as introduced. It does not address subsequent amendments to the legislation.

According to the requirements for completing the attached FAP, all restoration activities completed by June 30, 2026 are classified as completed and their actual costs are reported. These activities include a variety of projects with a variety of funding sources, as described below.

- CIP projects from the BWPR class that were completed from FY22 through FY26 were funded by WPRF bonds. Additionally, supplemental funding was provided for various projects through grants and a select number of shoreline stabilization projects were funded through general fund County bonds.
- Street sweeping and inlet cleaning were funded out of the BWPR operating budget.

Other restoration actions include septic system connections to water reclamation facilities (WRFs), septic system upgrades to denitrification systems, and restoration projects completed by non-governmental organizations (NGOs). Septic system connections to WRFs and septic system upgrades to denitrification systems are funded through Bay Restoration Fund (BRF) grants. Funding for restoration projects completed by NGOs include both County WPRF funds made available through the ongoing BWPR grant program, and grant funding to the NGOs from other entities resulting in no cost to the County. Private individuals or communities also funded restoration projects. Comments are included in the FAP to denote the funding sources for completed projects where the implementation costs are noted as \$0.

Projections are also made for planned projects that will be completed by June 30, 2031 (end of FY31). Planned projects not completed by June 30, 2026 are classified as either under construction or planning. Projects considered “under construction” were in the construction phase as of the end of FY26, and are anticipated to be complete at the end of FY27. “Planning” are those activities where a design contract has been issued by June 30, 2026, but may also include some projects that have been identified by County project managers but for which design work has not been initiated. Projections are also included for the ongoing operating activities and other restoration actions, as well as septic pumping performed by local contractors. Septic pumping can provide credit for the County and requires no general fund or WPRF fund expenditures.

Included in the FAP are cost and revenue information. Costs identified include the operating costs for the BWPR, debt service on WPRF bonds, and the County’s BWPR grant program to fund restoration projects completed by NGOs for which the County takes equivalent impervious treatment credit. Actual costs are reported for FY22 through FY26, and budgeted costs are included for FY27 through FY31. These budgeted costs were obtained from the County Budget Office’s WPRF Affordability Model and Capital Budget Program.

Sources of Funds to Meet the MS4:

A variety of funding sources (revenue) are recognized in this FAP. WPRF revenues include actual stormwater fee revenue amounts for FY22 through FY26, and projected revenues for FY27 through FY31. These revenue projections assume a 3% annual stormwater fee increase in FY28, a 5% annual stormwater fee increase for FY29 through FY31, and an adjustment for a 1% annual increase in ERU due to development.

Grant sources include State-funded grants for CIP restoration projects (e.g., MD DNR Chesapeake Bay Trust Fund) as well as BRF grants. BWPR is actively pursuing additional grant opportunities for future projects, and it is anticipated that the use of grant funds will allow for the implementation of CIP restoration projects that are not currently included as part of this FAP.

The attached FAP indicates that approximately 3,627 acres, or 121%, of the County's restoration will be completed by the end of FY27, one year beyond the end of the current NPDES MS4 permit term. The restoration completed in an apparent exceedance of the County's goal is primarily due to planning already underway for restoration activities that extend beyond the current permit term.

Projected Annual and 5-Year Costs and Revenues to Meet the MS4:

Total program projected restoration and MS4 compliance activity costs through FY27 are \$324 million, and \$343 million in revenue is expected, which demonstrates that the funding sources enumerated in the FAP are adequate to meet the permit requirements, treating approximately 3,627 impervious acres, which is estimated to be sufficient to cover the restoration requirements of the current MS4 permit and beyond.

Purpose

The purpose of this Resolution is to approve Anne Arundel County's 2026 Financial Assurance Plan for compliance with the National Pollutant Discharge Elimination Phase I Municipal Separate Storm Sewer System Permit.

Fiscal Impact

Please see the Fiscal Note prepared by the Budget Office for a full explanation of the fiscal impact of this legislation.

Additional Information

The Government Relations Office is available to answer any additional questions regarding this Bill. Specific questions should be directed to Erik Michelsen, Chief, Bureau of Watershed Protection and Restoration, Lori Blair Klasmeier or Kelly Kenney, Office of Law. Thank you.

cc: Honorable Steuart Pittman, County Executive
Christine Anderson, Chief Administrative Officer
Jenny Proebstle, Chief of Staff
Gregory Swain, County Attorney
Chris Trumbauer, Budget Officer
Karen Henry, Department of Public Works