

Maryland Department of the Environment

**Fiscal Year 2020 Capital Budget
Response to the Department of Legislative Services**

This response addresses the Legislative Analyst's recommended actions and the items noted for discussion. The department accepts all but two of the recommended actions and is prepared to discuss the items as requested.

1. DLS recommends that MDE comment on its future plan for abandoned mine reclamation work given the end of federal funding in fiscal 2022.

Department Response: MDE is working very closely with DBM regarding future funding for this Program; it is anticipated that the abandoned mine reclamation work will continue. The state-funded projects focus on restoring the environment and improving water quality in Maryland's streams, with the current emphasis in the area of Upper George's Creek and Jennings Run. There have been significant improvements in the water quality as a result of this Program. For example, the current Upper George's Creek Shaft Stream Restoration project is a collaborative project with DNR to seal an abandoned surface mine pit which leaks through subsidence into underground mine workings. The land will then be restored with a natural stream channel, riparian zones, wetlands and shallow pools.

The federal abandoned mine land (AML) fee collection expires 9/30/2021 and the fees collected in 2021 will be distributed to the states in 2022. MDE does not know what that funding or the federal program will look like when the AML fee ends. There are discussions occurring in Congress to reauthorize the AML Fee Collection; however, no legislation has been introduced.

2. DLS recommends that MDE comment on the status of meeting background Comprehensive Flood Management Program requirements, such as watershed studies, as laid out in Environment Article Section 5-803; the proposed project list; the proposed criteria; and whether funding will be made available to Ellicott City given the repeat flooding event on May 27, 2018.

Department Response: The Hogan-Rutherford Administration is putting a priority on climate action, from mitigating greenhouse gases to increasing resiliency and preparedness, and hazard mitigation plays an important role throughout. Community resilience is a central theme for the Maryland Climate Change Commission and the many collaborative initiatives such as the Climate Leadership Academy, DNR's Community Resilience Grants, and the Resilience through Restoration Program underscore the need for state and federal assistance. With 2018 being the wettest year on record, and the increasing number of dam safety risks and stormwater and flooding challenges throughout the state, it is more important than ever for the state to work with our local and regional partners to be proactive and foster a culture of preparedness and adaptation.

The watershed studies outlined in Environment Article Section 5-803 are complete and have evolved into Hazard Mitigation Plans. All Maryland counties plus 92 municipalities participate in the National Flood Insurance Program (NFIP). As a participant in the NFIP, local jurisdictions are required to have a Hazard Mitigation Plan. In addition, FEMA has made significant strides in developing Digital Flood Insurance Rate Maps for Maryland, which are almost complete. The information on these maps is designed to guide

homeowners/renters as well as communities through the process of determining their current flood risk as well as future flood risk. The maps can be found on MDE's website at <https://mdfloodmaps.net/>

The role of the Comprehensive Flood Management Program is to assist communities with development and implementation of flood management plans to mitigate the impact of future flood events. Typically, MEMA (with FEMA) is the first responder in the event of a disaster and can assist with debris removal and emergency work. While debris removal and emergency work is important for disaster recovery, it does not contribute to longer-term flood adaptation.

MDE does not have a proposed project list at this time. Upon approval of funding for this Program, MDE will coordinate with MEMA to see if there are opportunities to leverage federal funding for prospective projects. MDE will also initiate a project solicitation for local governments to submit projects for consideration, similar to the process MDE uses for other capital programs. The proposed project selection criteria are under development, with key areas of priority focus being public safety, environmental health and cost effectiveness.

If the proposed General Obligation bond funding remains in MDE's capital budget, Ellicott City is encouraged to respond to the project solicitation.

PAYGO Recommended Actions

1. Reduce the appropriation for the Hazardous Substance Clean-Up Program. The 1600 Harford Avenue (former Stop, Shop and Save) project appears to no longer be a viable project.

Department Response: The department respectfully does not concur with this recommended action.

An application to the Voluntary Cleanup Program (VCP) has recently been accepted for the 1600 Harford Avenue project, and there are other projects ready to utilize this funding. Two of the potential projects are Montgomery Brothers in Harford County, and Prosperity Cleaners in Frederick County. A brief description of each follows:

Montgomery Brothers, Harford County: Conduct additional assessment activities to formalize groundwater, surface water, and vapor monitoring plan for the site and install a several permanent vapor-monitoring points. The site is surrounded by residential dwellings; the proposed activity would serve to determine that contamination is not migrating away from the site.

Prosperity Cleaners, Frederick County: Conduct site investigation to determine if vapor intrusion is an onsite/offsite issue for this former dry cleaning operation. The contaminants of concern are two organic solvents, PCE and TCE, plus potential breakdown products. This property is located within the City of Frederick.

2. Recommended Action: Concur with Governor's allowance of \$80,073,000 in special funds and \$38,820,000 in federal funds for the Water Quality Revolving Loan Fund.

Department Response: The department accepts this recommended action.

3. Recommended Action: Concur with Governor's allowance of \$12,672,000 in special funds and \$14,041,000 in federal funds for the Drinking Water Revolving Loan Fund.

Department Response: The department accepts this recommended action.

4. Recommended Action: Concur with Governor’s allowance of \$70,000,000 for the Bay Restoration Fund – Wastewater program.

Department Response: The department accepts this recommended action.

5. Recommended Action: Concur with Governor’s allowance of \$15,000,000 for the Bay Restoration Fund – Septic Systems program.

Department Response: The department accepts this recommended action.

GO Bond Recommended Actions

1. Recommended Action: Approve the \$5,000,000 general obligation bond authorization for the Comprehensive Flood Mitigation Program to provide funds to local governments for projects that reduce the risk of loss of life and property from flooding. Grant funds may be used to acquire flood-prone properties for demolition or relocation; install flood warning systems; and construct flood control projects, including engineering studies required to support the design of these projects. Capital projects that assist with flood management techniques may include but are not limited to flood control dams, levees and dikes, stormwater detention or retention structures, and flood proofing.

Department Response: The department accepts this recommended action.

2. Recommended Action: Approve the \$5,287,000 general obligation bond authorization for the Drinking Water Revolving Loan Fund to finance drinking water projects.

Department Response: The department accepts this recommended action.

3. Recommended Action: Approve the \$8,764,000 general obligation bond authorization for the Water Quality Revolving Loan Fund to finance water quality improvement projects.

Department Response: The department accepts this recommended action.

4. Recommended Action: Approve the \$500,000 general obligation bond authorization for the Mining Remediation Program to design, construct, and equip active and passive measures to remediate damage to water quality related to abandoned mining operations.

Department Response: The department accepts this recommended action.

5. Recommended Action: Strike the language and reduce funding for the Water Supply Financial Assistance Program.

UA01E Water Supply Financial Assistance Program..... \$ 1,167,538

Strike the following language: Water Supply Financial Assistance Program. Provide funds for assistance to State and local government entities to acquire, design construct, rehabilitate, equip, and improve water supply facilities. The funds shall be administered in accordance with §§ 9-420 through 9-426 of the Environment Article and any regulation adopted in accordance with those sections. ~~Notwithstanding §§ 9-420 through 9-426 of the Environment Article and any regulation adopted in accordance with those sections, \$250,000 of these funds shall be used to provide a grant to the Town of New Windsor to pay a portion of the loans issued by the Maryland Department of the Environment, Water Quality Financing Administration used for the recently completed water supply projects ...~~

Department Response: MDE respectfully requests that \$542,462 of funding not specifically allocated remain in the Water Supply Financial Assistance Grant Program. MDE is temporarily delaying committing funds for new projects until the costs of ongoing projects are known. Some local governments are experiencing costs higher than contractor's estimates due to the effect of the recent tariffs on steel and aluminum. MDE is respectfully requesting to retain this funding to be able to meet its funding commitment to local governments. Extraordinary circumstances warrant the additional \$250,000 funding for the Town of New Windsor.