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**MARYLAND ENVIRONMENTAL SERVICE**  
**FISCAL YEAR 2027 CAPITAL BUDGET HEARING**  
**RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS**

**House Appropriations Committee**  
**Capital Budget Subcommittee**  
**The Honorable Malcolm P. Ruff, Chair**  
**February 23, 2025**

**Senate Budget and Taxation Committee**  
**Capital Budget Subcommittee**  
**Senator Craig J. Zucker, Chair**  
**February 24, 2025**

We first would like to thank Mr. Samuel Quist and the entire DLS team for their thorough work on the MES Operating and Capital Budgets. They have been terrific to work with and we greatly appreciate their professionalism and attention to detail throughout the budget process.

MES has requested funding for several critical projects at state water and wastewater facilities. We appreciate DLS's recommendation to fully fund all authorizations and preauthorizations for GO Bonds. These projects address aging infrastructure and incorporate resiliency standards, furthering the Moore-Miller Administration's goal of becoming the greenest state in the country while protecting public health.

*GO Bond Recommended Actions: Approve all authorizations and preauthorizations for the Maryland Environmental Service.*

**MES Response: Concur.**

DLS identified three areas that they would like MES to comment:

Springfield Hospital Center Water Distribution System Upgrades

***DLS Comment:*** *MES should comment on the adequacy of the planned water distribution system upgrades in addressing water quality issues at the Springfield Hospital Center, and if additional upgrades would be necessary in the future if water quality issues from water supplied by the Freedom Water Treatment Plant persist.*

**MES Response:** The planned water distribution system upgrades are appropriate and necessary to address internal system deficiencies at Springfield Hospital Center. The proposed improvements including removal of dead legs, installation of auto-flush systems, replacement of aging and oversized piping, and upgrades to backflow prevention are intended to reduce water stagnation and water age, which contribute to degraded water quality and increased risk of Legionella and disinfection byproduct formation. The installation of point-of-use treatment systems in designated high-risk buildings will provide additional protection; however, these systems are limited to the specific buildings where they are installed.

While these measures are expected to significantly improve water quality within the campus distribution system, their effectiveness will depend in part on the quality of water supplied to the campus. Continued monitoring will be necessary to evaluate overall performance. If water quality concerns associated with source water persist despite distribution system improvements, additional treatment measures such as evaluation of supplemental or centralized on-site treatment may need to be considered.

### Greenbrier State Park

**DLS Comment:** *MES should comment on why GO bond funds are planned to be used to support this project rather than transfer tax special funds from the DNR NRDF. MES should also comment on whether funds from the Bay Restoration Fund could be used to support water quality components of the project.*

**MES Response:** Using GO bonds enables the State to maintain the schedule and scope of large, critical infrastructure projects such as the Water and Wastewater Systems Upgrade project at Greenbrier State Park. These projects ensure a safe drinking water supply and minimize the environmental impact of wastewater discharges into the community and, ultimately, the Chesapeake Bay.

The FY 2026-2030 Capital Improvement Program planned this project using GO bonds. The use of GO bonds was necessitated by a significant reduction in the availability of transfer tax special funds within the Natural Resource Development Fund (NRDF), combined with the unusually high project cost (\$23 million at the time). For reference, many of our projects cost less than \$5 million, with most costing less than \$10 million in recent years. This project alone would have used nearly one-third of the estimated transfer tax funds within NRDF in FY 2027 (per the December 2024 estimate).

Of note, GO bonds planned for this project in last year's CIP were, in part, shifted from the Maryland Department of the Environment's (MDE) Bay Restoration Fund program, which supports similar projects at the local level. Previously, \$20 million in GO bonds were planned annually for the BRF (FY 2027-2029 in the FY 2025-2029 CIP) to supplement federal and special funds. Per DBM, last year it was determined that those funds were no longer needed for the BRF program. A portion of the GO bonds eliminated from the BRF program was used to supplement MES projects, continuing the State's commitment to improving water quality in Maryland and the Bay.

MES submitted a BRF application to MDE for the collection system improvements in January 2026 and plans to submit a BRF application for the WWTP upgrade in the upcoming years. MDE will review the application and determine whether the project is eligible and whether it ranks high enough to receive funding. MDE typically fully allocates its BRF appropriations, as there are many applicants for this funding. For example, the FY 2027 funding is already fully allocated to projects.

Charlotte Hall Veterans Home

***DLS Comment:*** *MES should comment on the current status of the federal grant application for this project and the placement of the project on the VA priority list.*

**MES Response:** As of February 19, 2026, the Charlotte Hall Veterans Home Water Treatment Plant Upgrade project does not appear on the current VA State Home Construction Grant priority list.

Regarding the grant application, the required Phase I Environmental Assessment (FAI 24-010) has been completed and submitted to the VA. MES is currently awaiting further feedback and next steps from the VA as part of the grant review process.