


AGENDA ITEM #12
April 23, 2019

Public Hearing

MEMORANDUM

April 19, 2019

TO: County Council

FROM:  Keith Levchenko, Senior Legislative Analyst

SUBJECT: **Public Hearing:** FY20 Water Quality Protection Charge Rate Resolution¹

PURPOSE: To receive testimony on the Executive's Recommended Water Quality Protection Charge Equivalent Residential Unit (ERU) rate for FY20

On March 15, the County Executive transmitted a proposed resolution related to the Water Quality Protection Charge Equivalent Residential Unit (ERU) rate for FY20 (see ©1-3). The Executive recommends an ERU rate of \$104.25, which is the same rate as approved for FY19. This proposed resolution is consistent with the Executive's recently-transmitted FY20 Recommended Operating Budget.

The Council first created the Water Quality Protection Charge as part of Bill 28-00 in 2001 and made substantive changes to the charge in 2013 as part of Bill 34-12. The Council is required under County Code Section 19-35(c) to set the ERU rate each fiscal year by resolution. The resolution must be adopted no later than the date the Council approves the annual operating budget.

A Transportation and Environment (T&E) Committee meeting is scheduled for April 29 to discuss the Executive's FY20 Recommended Budget for the Department of Environmental Protection FY20 Water Quality Protection Fund and the recommended ERU rate.

Attachment

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¹ Key words: #FY20WaterQualityProtectionCharge, FY20 DEP Budget, Water Quality Protection Fund.




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

March 15, 2019

TO: Nancy Navarro, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: FY20 Water Quality Protection Charge Recommended Rate

The purpose of this memorandum is to transmit the proposed resolution for the FY20 Water Quality Protection Charge recommended rate. The rate, as reflected in the attached resolution, is \$104.25 and is consistent with my FY20 Recommended Operating Budget. There is no change in the rate from FY19, as the current rate is sufficient to support our continued water quality remediation efforts in compliance with the State's Municipal Separate Storm Sewer System (MS4) permit requirements. I recommend the Council adopt this resolution as part of its deliberations on the FY20 Operating Budget.

ME:tl

Attachment: Resolution – FY20 Water Quality Protection Charge Recommended Rate

c: Andrew Kleine, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
Richard S. Madaleno, Director, Office of Management and Budget
Alexandre A. Espinosa, Director, Department of Finance
Adam Ortiz, Director, Department of Environmental Protection

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Water Quality Protection Charge for FY20

Background

1. Under County Code Section 19-35(c), each fiscal year the County Council must, by resolution, set the rate for the Water Quality Protection Charge.
2. Under County Code Section 19-35(d), the County Council may set a different rate for each type of property identified by regulation. If different rates are set, the rates must generally reflect the relative amount of impervious surface on each type of property.
3. Under Section 19.35.01.02 of the Code of Montgomery County Regulations (COMCOR), the base rate is the annually designated dollar amount set by the County Council to be assessed for each Equivalent Residential Unit (ERU) of property that is subject to the Water Quality Protection Charge (the "Charge"). The ERU is defined in COMCOR Section 19.35.01.02 as the statistical median of the total horizontal impervious area of developed single-family detached residences in the County. The designated ERU for Montgomery County equals 2,406 square feet of impervious surface.
4. Under COMCOR Section 19.35.01.04, properties subject to the Charge are assigned to one of the following classifications for purposes of determining the appropriate assessment rate:
 - a. For single-family residential properties, which include townhouses and duplexes, the Charge is assessed as a percentage of one ERU based on the total impervious area for each property. Properties in this classification are assigned to one of seven (7) tiers to determine the appropriate assessment rate, ranging from 33 percent of the base rate for an ERU up to 300 percent of the base rate.
 - b. For multifamily residential properties, the Charge is assessed based on the number of ERUs assigned to the property. The total impervious area for the property is divided by the ERU; the result is then multiplied by the base rate to determine the Charge. If the property is a condominium development, the Charge is assessed in

equal shares to the owners of the development by dividing the total ERUs calculated for the property by the number of individual condominium units, and then multiplying this number by the base rate to determine the amount billable to each unit owner.

- c. For nonresidential properties, the Charge is assessed based on the number of ERUs assigned to the property. The total impervious area for the property is divided by the ERU; the result is then multiplied by the base rate to determine the Charge. If the nonresidential property is a condominium development, the Charge is billed in equal shares to the owners of the development by dividing the total ERUs calculated for the property by the number of individual condominium units, and then multiplying this number by the base rate to determine the amount billable to each unit owner.
 - d. If a property is owned by a non-profit organization (501(c)(3) organization), the property is assigned to one of three (3) tiers to determine the appropriate assessment rate, and the Charge must not exceed the percent of the base rate for one ERU in the respective Tier classification.
 - e. For agricultural properties, the Charge is assessed based on the percentage of one ERU of the base rate for the applicable single-family residential tier for the impervious area of the houses on these properties.
5. Under County Code Section 19-35(g), the Charge does not apply to any property located in a municipality that notifies the County it has imposed or intends to impose a similar charge to fund its stormwater management program in that municipality.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The base rate for the Water Quality Protection Charge for Fiscal Year 20 is \$104.25 per Equivalent Residential Unit (ERU).

This resolution takes effect on July 1, 2019.

This is a correct copy of Council action.

Megan Davey Limarzi, Esq.
Clerk of the Council