



Committee: T&E

Committee Review: At a future date

Staff: Keith Levchenko, Senior Legislative Analyst

Purpose: To receive testimony – no vote expected

Keywords: #DEP and Solid Waste Transfer Station

AGENDA ITEM #7

October 13, 2020

Public Hearing

SUBJECT

Special Appropriation to the FY21 Capital Budget and Amendment to the FY21-26 Capital Improvements Program (CIP), Montgomery County Government – Department of Environmental Protection (DEP)

- Transfer Station Fire Detection and Suppression System (No. 802101), \$4,700,000 (source of funds: Current Revenue – Solid Waste Disposal Fund)

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

- On September 21, 2020, the County Council received a request from the County Executive for an FY21 special appropriation and amendment to the FY21-26 CIP for \$4.7 million to fund fire detection and suppression system improvements at the County's Solid Waste Transfer Station. A T&E Committee worksession is tentatively scheduled for October 21 at 9:30 AM.
- DEP has taken steps to reduce the likelihood of fire at the Transfer Station's tipping floor. However, fires have occurred, and the current fire detection and suppression system is beyond its useful life. The Department of Permitting Services issued a notice of violation in February 2020.
- The County Executive has noted that this project is to be funded from an accrual in the Solid Waste Disposal Fund previously reserved for the Gude Landfill Remediation Project. That project will have FY23 funding switched from Solid Waste Disposal Fund Current Revenue to Bonds.

This report contains:

- September 21, 2020 Transmittal from the County Executive
 - Transmittal Letter Page 1-2
 - Draft Resolution Page 3-4
 - Gude Landfill Remediation Project Description Form Page 5-6
 - Transfer Station Fire Detection and Suppression System Page 7

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

M E M O R A N D U M

September 21, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY21-26 Capital Improvements Program and
Supplemental Appropriation #2-S21-CMCG-1 to the FY21 Capital Budget
Montgomery County Government
Department of Environmental Protection
Transfer Station Fire Detection and Suppression System (No. 802101), \$4,700,000

I am recommending a supplemental appropriation to the FY21 Capital Budget and amendment to the FY 21-26 Capital Improvements Program in the amount of \$4,700,000 for Transfer Station Fire Detection and Suppression System (No. 802101). Appropriation for this project will fund fire detection and suppression system improvements to support safe operating conditions at the transfer station, located in the Gaithersburg area.

This increase is needed because the current fire detection and suppression system is beyond its useful life, and fires have occurred on the tipping floor. The Department of Permitting Services issued a Notice of Violation (NOV) in February 2020 as well. Though the Department of Environmental Protection has taken several steps to reduce the likelihood of fires at the Transfer Station, the detection and suppression system must still be replaced to fully address the violation. The recommended amendment is consistent with the criteria for amending the CIP because it addresses an urgent safety concern.

It should be noted that the funds for this project are from an accrual that was created for the Gude Landfill Remediation (No. 801801) project. The Gude Landfill Remediation project, which was approved in the FY21-26 CIP with \$28.7 million in Current Revenue: Solid Waste Disposal and \$33.0 million in Revenue Bonds, will be changed to show a funding switch reflecting \$22.7 million in Current Revenue: Solid Waste Disposal funding and \$39.0 million in Revenue Bond funding. A revised Gude Landfill Remediation PDF showing this funding switch is included for your reference.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY21-26 Capital Improvements Program in the amount of \$4,700,000 and specify the source of funds as Current Revenue: Solid Waste Disposal.

Sidney Katz, President, County Council
September 21, 2020
Page 2

I also request that the Council act on Bill 16-19E, Special Projects Legislation for the Gude Landfill Remediation project. This bill is currently pending and is a necessary step prior to construction.

I appreciate your prompt consideration of this action.

ME:rhk

Attachment: Amendment to the FY21-26 Capital Improvements Program and Supplemental Appropriation
#2-S21-CMCG-1

c: Richard S. Madaleno, Acting Chief Administrative Officer
Adriana Hochberg, Assistant Chief Administrative Officer
Adam Ortiz, Department of Environmental Protection
Patrice Bubar, Department of Environmental Protection
Anthony Skinner, Department of Environmental Protection
Mary Beck, Office of Management and Budget
Richard H. Harris, Office of Management and Budget

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY21-26 Capital Improvements Program and
Supplemental Appropriation #2-S21-CMCG-1 to the FY21 Capital Budget
Montgomery County Government
Department of Environmental Protection
Transfer Station Fire Detection and Suppression System (No. 802101),
\$4,700,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u> Current Revenue: Solid Waste Disposal
Transfer Station Fire Detection and Suppression System	802101	Construction	\$4,700,000	

4. This increase is needed because the current fire detection and suppression system is beyond its useful life, and fires have occurred on the tipping floor. The Department of Permitting Services issued a Notice of Violation (NOV) in February 2020 as well. Though the Department of Environmental Protection has taken several steps to reduce the likelihood of fires at the Transfer Station, the detection and suppression system must still be replaced to fully address the violation. The recommended amendment is consistent with the criteria for amending the CIP because it addresses an urgent safety concern.
5. The County Executive recommends an amendment to the FY21-26 Capital Improvements Program and a supplemental appropriation in the amount of \$4,700,000 for Transfer Station Fire Detection and Suppression System (No. 802101) and specifies that the source of funds will be Current Revenue: Solid Waste Disposal.
6. Notice of public hearing was given and a public hearing was held.

Action

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

The FY21-26 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u> Current Revenue: Solid Waste Disposal
Transfer Station Fire Detection and Suppression System	802101	Construction	\$4,700,000	

This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council



Gude Landfill Remediation (P801801)

Category
SubCategory
Planning Area

Recycling and Resource Management
Recycling and Resource Management
Upper Rock Creek Watershed

Date Last Modified
Administering Agency
Status

01/03/20
Environmental Protection
Ongoing

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	6,955	1,363	707	4,795	456	771	932	905	877	854	90
Construction	54,791	-	-	54,133	-	17,558	10,561	11,200	9,810	5,004	658
TOTAL EXPENDITURES	61,746	1,363	707	58,928	456	18,329	11,493	12,105	10,687	5,858	748

FUNDING SCHEDULE (\$000s)											
Current Revenue: Solid Waste Disposal	28,700	1,363	707	26,630	456	18,329	7,845	-	-	-	-
Revenue Bonds	33,046	-	-	32,298	-	-	3,648	12,105	10,687	5,858	748
TOTAL FUNDING SOURCES	61,746	1,363	707	58,928	456	18,329	11,493	12,105	10,687	5,858	748

APPROPRIATION AND EXPENDITURE DATA (\$000s)											
Appropriation FY 21 Request	-	-	-	-	-	-	-	-	-	-	-
Appropriation FY 22 Request	-	-	-	-	-	-	-	-	-	-	-
Cumulative Appropriation	-	-	-	-	-	-	-	-	-	-	-
Expenditure / Encumbrances	-	-	-	-	-	-	-	-	-	-	-
Unencumbered Balance	-	-	-	-	-	-	-	-	-	-	-

PROJECT DESCRIPTION

This project provides for the remediation of low-level environmental contamination at the Gude Landfill. The Maryland Department of the Environment (MDE) approved an Assessment of Corrective Measures (ACM) report for Gude Landfill in July 2016 which specifically outlines the approved Corrective Measure Alternative (CMA) for this remediation project. The MDE approved CMA will include toupee capping (regrading and capping the top of the landfill and selected slope areas with a synthetic liner and two feet of soil) and increased gas collection through the installation of additional gas extraction wells. These remediation measures will reduce infiltration of rainwater into the landfill resulting in the generation of less leachate, fewer leachate seeps, and better control of landfill gas migration.

LOCATION

600 E. Gude Drive, Rockville, Maryland

ESTIMATED SCHEDULE

The Gude Landfill Remediation project construction will begin in FY22 and is scheduled to be completed in FY27.

COST CHANGE

Costs increased due to updated estimates from a Maryland Department of the Environment-approved scope. A delay in construction is also reflected as DEP considers phasing to reduce costs. New 60% design documents based on the phasing and an updated cost estimate are expected in early 2020. The scope, design, and cost are subject to final MDE review, and continued cost refinements are expected.

PROJECT JUSTIFICATION

The County and MDE entered a consent order in May 2013 which outlined requirements for assessing low-level groundwater contamination, gas migration, and other problems at the Gude Landfill. The Consent Order included provisions requiring a Work Plan and schedule to be established for assessing potential risks to human health and the environment, and development of an ACM report and implementation schedule. After consultation with industry experts, community groups, MDE, and County government leadership, the Department of Environmental Protection's (DEP) initial proposal to MDE in 2014 addressed the low-level groundwater contamination at the site with installation of bioremediation wells on the property. MDE's assessment of this bioremediation corrective measure in April 2015 determined that additional corrective measures would need to be included in the bioremediation approach to address all of MDE's requirements. A revised ACM report was submitted to MDE in April 2016 addressing all MDE's comments and selecting corrective measures consisting of a toupee cap, additional landfill gas collection, and stormwater drainage improvements. The County has been mandated to perform work outlined in the consent order. Moving forward with the remediation of Gude Landfill, as required by MDE, will also address concerns raised by the adjacent community and allow planning for future reuses of the property.

FISCAL NOTE

The source of the additional funding will likely be Solid Waste (Disposal Fund) Revenue Bonds. Discussions are under way with Finance and the Office of Management and Budget pursuant to this option, but it may change if another financing method is more advantageous. A FY21 funding switch reduced CR Solid Waste Disposal by \$6,000,000 and increased Revenue Bonds by \$6,000,000.

DISCLOSURES

A pedestrian impact analysis has been completed for this project.

COORDINATION

Northeast Maryland Waste Disposal Authority (NMWDA), Maryland Department of the Environment (MDE), Department of Permitting Services, Health and Human Services, the Maryland-National Capital Park and Planning Commission, the U.S. Army Corps of Engineers, the Gude Landfill Concerned Citizens (GLCC), County social service agencies, and adjacent property owners.

Transfer Station Fire Detection and Suppression System (P802101)

Category	Recycling and Resource Management	Date Last Modified	08/19/20
SubCategory	Recycling and Resource Management	Administering Agency	Environmental Protection
Planning Area	Gaithersburg and Vicinity	Status	Final Design Stage

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Construction	6,000	-	-	6,000	4,700	1,123	177	-	-	-	-
TOTAL EXPENDITURES	6,000	-	-	6,000	4,700	1,123	177	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: Solid Waste Disposal	6,000	-	-	6,000	4,700	1,123	177	-	-	-	-
TOTAL FUNDING SOURCES	6,000	-	-	6,000	4,700	1,123	177	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	-
Appropriation FY 22 Request	-	Last FY's Cost Estimate	-
Supplemental Appropriation Request	4,700		
Cumulative Appropriation	-		
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

PROJECT DESCRIPTION

This project provides for the comprehensive design and installation of new fire detection and suppression systems at the Shady Grove Processing and Transfer Facility to replace the existing detection and suppression systems that are beyond their useful life. The project will also address other fire code deficiencies and violations as identified by the County's Fire Department and Department of Permitting Services (DPS). The construction project will span about two years.

LOCATION

16101 Frederick Road, Derwood, Maryland

ESTIMATED SCHEDULE

The construction for the new fire detection and suppression systems will begin in FY21 and is scheduled to be completed in FY23.

PROJECT JUSTIFICATION

On February 13, 2020, the Department of Environmental Protection (DEP) received a Notice of Violation (Case No. 418905) from the County's Department of Permitting Services (DPS). This Notice of Violation cited a NFPA 1-System Restore Violation for Case No. 418905. The Department is currently working through the Northeast Waste Disposal Authority with contractors to complete a design for the fire detection and suppression systems to address the Notice of Violation and the concerns posed by the County's insurance provider (FM Global). Therefore, this project completion is essential to mitigate fires that may occur, and to eliminate health and safety concerns associated with having a deficient fire detection and suppression systems for solid waste operations.

FISCAL NOTE

Design of this project was funded in the operating budget.
FY21 supplemental in Current Revenue: Solid Waste Disposal for the amount of \$4,700,000.

COORDINATION

Northeast Maryland Waste Disposal Authority (NMWDA), Maryland Department of the Environment (MDE), Department of Permitting Services, FM Global, Covanta Energy, and County social service agencies, and adjacent property owners.