

## WATER QUALITY PROTECTION FUND FY27 OPERATING BUDGET DISCUSSION

### Description

Briefing on the Montgomery County Water Quality Protection Fund and seeking approval from the Planning Board to request a larger allocation of Montgomery County's Water Quality Protection Fund.

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Montgomery County Planning Board  
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### Summary:

- The Planning Department is seeking approval to request a larger share of the county's Water Quality Protection Fund for the FY27 Budget Request.
- The current FY26 allocation for the Department's share is \$505,019. The Department is requesting \$2,588,004 in FY27.

## SECTION 1: BACKGROUND

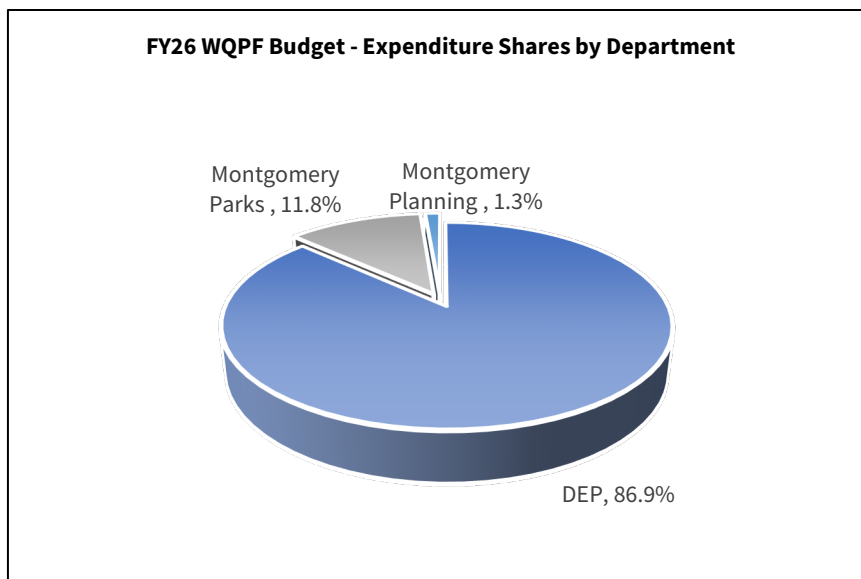
### BACKGROUND

Montgomery Planning plays a critical role in shaping land use, development patterns, protecting streams and forest through easements, special protection areas, and impervious caps, and planting forest, meadows, and trees, all of which directly influence stormwater runoff, water quality, and watershed health. The Department's share of the Water Quality Protection Fund (WQPF) should be increased to fund the work that is already happening related to water quality and to be commensurate with other county agencies.

The [Water Quality Protection Fund](#) (WQPF) was created in 2013 in response to Maryland's Watershed Protection and Restoration Program (HB-987), which requires counties to manage polluted stormwater runoff. It is funded primarily through the Water Quality Protection Charge (WQPC), a fee on property tax bills based on impervious surface area, and revenue from the bag tax. The County Council sets the WQPC rate annually and appropriates WQPF expenditures through the budget process, as outlined in Chapter 19 of the County Code. The fund supports stormwater management, watershed protection, and restoration projects that improve water quality across Montgomery County.

### CURRENT ALLOCATION

In FY26, the WQPF approved revenue is \$57,866,037 with \$53,481,687 coming from the Water Quality Protection Charge and \$2,568,000 coming from the bag tax. The remaining revenue is from a combination of investments and miscellaneous fees. The expenditures approved from the Water Quality Fund for FY26 are \$39,377,541. **In FY26, Montgomery Planning is only appropriated \$505,019 or 1.3% of the total approved expenditures.**



**Montgomery Planning's current allocation from the Water Quality Protection Fund (WQPF) does not reflect the true scope or value of the work it performs to protect and enhance water quality across the county.**

A comprehensive internal review has revealed that Montgomery Planning's allocation of \$505,019 significantly underrepresents the department's contributions. The method previously used to calculate Planning's share is outdated and incomplete, failing to account for major areas of work that are clearly eligible under a 2019 Memorandum of Understanding (MOU) with the county, including master planning, stream buffer protection, the review of natural resources inventories and forest conservation plans, and enforcement of environmental regulations.

Under the 2019 MOU between Montgomery County and the Commission, funds from the Water Quality Fund may be disbursed to Montgomery Planning for work performed in the following areas:

- developing and monitoring stream valley buffers
- review and enforcement of Special Protection Areas
- review and enforcement of Forest Conservation Plans affecting stream valley buffers
- preparation of water quality related sections of area master plans, sector plans, and countywide functional plans

**Environment & Climate Division**

Environmental resilience is essential for driving the county's appeal and long-term prosperity. Montgomery Planning has always focused on the environment and climate adaptation through land use and zoning, but since July 1, 2025, the focus on this work has become even more prominent with the formation of the newly created Environment & Climate Division. The Environment & Climate Division leads the Department's environmental planning efforts, integrating sustainability into decision-making to advance the protection of our waterways and natural resources and to mitigate the impacts of climate change. The Environment & Climate Division coordinates and collaborates with all planning divisions as well as Montgomery Parks, the Montgomery County Department of Environmental Protection, the Montgomery County Department of Permitting Services, and the Maryland Department of the Environment to develop impactful strategies to strengthen our ecosystem.

The Environment & Climate Division is responsible for coordinating policies, programs, and projects that address climate change and promote resilience and is solely responsible for the administration and implementation of the Forest Conservation Law. This includes advancing one of the three main outcomes of *Thrive Montgomery 2050*, environmental resilience, managing [Reforest Montgomery](#), providing environmental expertise in the development review process, managing Planning's actions implementing the Climate Action Plan, developing environmental functional master plans, and exploring development-centered mitigation strategies for flooding.

## SECTION 2: RECOMMENDATION FOR INCREASE IN ALLOCATION

Montgomery Planning performs a considerable amount of work that impacts water quality, as required under the fund.

- Planning reviews, inspects, and enforces forest conservation plans, stream restoration projects, and impervious surface restrictions.
- Through master plans, Planning expands buffers protecting streams and impervious limits, designates specific areas to focus restoration resources to improve water quality, increases tree cover over parking lots and other impervious surfaces to lower water temperature and catch particulate matter, and creates green area requirements that increase areas for water infiltration and increase pollutant removal.
- Through its regulatory review efforts, Planning adds green infrastructure; conserves and plants forest and requires the planting of all stream valley buffers; adds green roofs, regardless of stormwater credit, to improve water quality; and increases tree planting and soil remediation to help increase water infiltration.
- Planning's GIS team manages the LIDR mapping of all impervious surfaces in Special Protection Areas every three years for the use of all county agencies, ensuring that water quality is maintained by keeping the amount of impervious surfaces under the designated cap.
- The Reforest Montgomery program plants forest and trees throughout the county and focuses on unforested stream valley buffers and areas where forest is limited. The team also administers [Re-Leaf the Reserve](#), which plants within the Agricultural Reserve and increases water quality and decreases the water quality impact of agricultural uses.

Montgomery Planning is uniquely positioned to align water quality goals with land use policy, development review, and capital planning.

Thoughtful land use planning reduces impervious surfaces, protects sensitive ecosystems, and promotes green infrastructure, all of which prevent runoff before it becomes a problem. Montgomery Planning integrates water quality strategies into master plans, zoning updates, and urban design, helping to reduce pollution in our waterways and long-term costs for remediation and infrastructure.

Until this point, Montgomery Planning has calculated the amount due under the fund based upon an outdated formula. The origin of this formula is unknown, and it has become obvious that the formula does not adequately capture the work performed by Planning under the fund. For instance, the formula never accounted for the master planning work that is done relating to water quality, even though the MOU specifically called out the master planning efforts. The other two main departments that receive funding from the Water Quality Fund are the Department of Parks and the Department of Environmental Protection. Both of these departments have a clear and straightforward way of calculating the amount appropriated to them under the fund by using work years and aligning the staff resources that perform this work to that funding. Montgomery Planning wants to use this same

approach. Planning leadership believes this will bring the department in line with the others and will more accurately capture the amount due to Planning from this fund.

Planning currently has 15.5 work years performing the functions under the Water Quality Fund. The budget for those work years is \$2,588,004. This would make Planning's request for funds appropriated from the Water Quality Fund for FY27 \$2,588,004, an increase of \$2,082,985. This calculation correction puts Planning's appropriation in line with the appropriation for the Department of Parks and the Department of Environmental Protection. Further, this appropriation does not reduce the amount budgeted for the Department of Parks or the Department of Environmental Protection since the difference in funding is available in the Water Quality Protection Fund.

Montgomery Planning is not asking for new responsibilities or expanded scope as staff is already doing the work. What is needed now is a fair and accurate funding model that aligns with the approach used by the Parks Department and the Department of Environmental Protection. By shifting to a work-year-based calculation, Planning's allocation would more accurately reflect the 15.5 staff years dedicated to water quality efforts and align this water quality work more directly with the appropriate funding source. This adjustment would also ensure that Planning can continue to lead in sustainable land use and watershed protection.

### SECTION 3: CONCLUSION

Montgomery Planning is already actively advancing the goals of the Water Quality Protection Fund (WQPF) through its master planning, regulatory, policy work, and initiatives. The department integrates water quality into master plans, zoning updates, and public space design, reducing impervious surfaces, promoting green infrastructure, increasing planting, and supporting watershed health. These efforts are already being charged to the fund and directly contribute to the county's water quality objectives. To reflect the value and impact of this planning work, Montgomery Planning's share of the fund should be calculated and appropriated in the same way as other departments involved, ensuring continued leadership in sustainable land use and equitable environmental outcomes.

## APPENDIX

### MONTGOMERY PLANNING'S WATER QUALITY PROTECTION WORK AT A GLANCE

| TYPE                                                | AREA (ACRES) | % STREAM BUFFER PROTECTED BY |
|-----------------------------------------------------|--------------|------------------------------|
| Total Stream Buffers*                               | 64,089.9     |                              |
| Total Forest Conservation Easements**               | 15,020.2     |                              |
| Forest Conservation Easements within Stream Buffers | 6,595.2      | 10.3%                        |

\*Stream buffers are required to be protected and planted per the Forest Conservation Law which is under the authority of the Planning Department.

\*\*This is the approximate amount of stream buffers in the county (by GIS, not as determined on the ground) with the amount of acres in forest conservation easements in the county overseen by Planning and the amount of acres in stream buffers that we have under easement.

#### ***Tree Planting Stats***

- 315 Large caliper trees planted in Montgomery parks by Montgomery Planning staff since FY2017
  - 50 more are scheduled to be planted this fiscal year.
- 677 free shade trees since FY2020, with about 60 more being planned for the spring (this doesn't include ~300 trees planted prior to 2020 under the Shades of Green program).
- 5,000+ trees purchased through the \$50 Native Tree Discount program since FY2019.

#### ***Reforestation Stats***

- About 59.1 acres have been reforested currently on land owned by Montgomery Parks with five additional acres planned for FY26.
- 9.54 acres reforested on private property
- 20.5 acres reforested through Re-Leaf the Reserve (3.6 acres planned for FY26)