** Talking Points**

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**Why the State Lakes Protection and Restoration Fund bill (SB 396)**

**is necessary for a sustainable future for Deep Creek Lake.**

**The State Lakes Protection and Restoration Fund bill was introduced by Senator George Edwards in January, 2017 in response our collaborative efforts to ensure funding for sediment removal at Deep Creek Lake.**

**The problem the bill addresses: while Deep Creek Lake and 15 other Maryland lake are owned and managed by the State, there is no funding mechanism which addresses their management needs, comparable to what is available for the Chesapeake Bay and tributaries. Bill text:** [**http://mgaleg.maryland.gov/webmga/frmMain.aspx?id=sb0396&stab=01&pid=billpage&tab=subject3&ys=2017RS**](http://mgaleg.maryland.gov/webmga/frmMain.aspx?id=sb0396&stab=01&pid=billpage&tab=subject3&ys=2017RS)

**Hearing: Before the Senate Education, Health and Environmental Affairs Committee, February 14, 2017 at 1 pm.**

**The following provides the bill drafting framework with 7 key talking points with lots of facts, data, comments.**

**Background: History of good words but no investment.**

Governors’ proclamations have extolled the benefits of our lakes: They say Maryland lakes are “among Maryland’s most valuable natural resources” . . . “vital important to Maryland’s history, growth and financial health” and improve the quality of life for all Maryland’s residents and their importance should not go unnoticed”. . . “The State of Maryland recognizes the need to protect these lakes and reservoirs for future generations.” (Lake Appreciation Proclamations, 2013, 2014 and 2015.)

We use the term state lakes, not DCL, in order to gain support in Annapolis. Of course DCL is largest lake and reason we are doing this work.

The framework is straight forward: the State owns 15 lakes and as owner it should effectively manage, protect, restore and provide state funding for them.

We must include in our position issues of economics and financing. The bill asks support for creation of a Fund for allocation of state monies for state lakes. Yes, we care about these waterways as natural and recreational resources. But, we will be asked to justify why money should be spent and the down side of not investing.

State lakes constitute our natural resource infrastructure, and like, bridges, highways, the decline due to lack of investment is evident. Investment will have positive economic impacts, creating jobs and enhancing these declining state properties. Governor Hogan supports infrastructure projects.

Research studies by EPA and other entities have shown that investment in natural resources produces positive economic gains as a direct result.

**Talking Point #1: Deep Creek Lake as economic engine of Garrett County and the region. Failure of state to invest in our 92 year old state-owned Lake is already having economic consequences.**

**Make your comments personal: Consider all the ways you contribute to the County’s economy.**

High property taxes—paying for many services (e.g. schools, social services) which you do not use.

Businesses you use in Garrett County, jobs you support directly and indirectly.

Services and amenities you support.

Value of your involvement in civic culture, donations, volunteer jobs.

**Are your making decisions to limit your investment because of uncertainties about lake future?**

**Want data?**

Lake properties generate 60% of county real property tax base.

County acknowledges is loses about $250,000 per annum in sediment impacted coves ( DCL: A Sediment Study report. P 47)

County analysis understates total number of impacted properties; our projection is closer to $500,000 per year.

This may well increase with new triennial valuation, as result of increases in sediment accumulation in these coves and property owner appealing assessments.

Research on lakes has found a 13% loss of property taxes as a result of infestation of Aquatic Invasive Species in front of property. ( ICAST Report). This may increase with density of AIS.

Lake is backbone of the growing tourism market, with over 1.25 million visits annually.

The state allocates funds to support the tourism industry – why shouldn’t support programs and restoration projects to ensure the central attraction of tourist is health and attractive of our visitors.

Tourism results in $347.65 million in sales, approximately 5041 jobs total population of county under 30,000). Contributes county economy $193.4 million in value added. Tourism generates $650,000 in admissions and amusement tax revenues annually. (2010 Chamber study)

Any decline in the natural or recreational resource, the quality of Lake living will negative impact these revenues.

Second homes owners have largest impact contributing $165.5 million in sales annually, creating 2,275 jobs, generating $81.5 million in value added. (2010 Chamber study)

75% of all housing construction in the County is related to second home, lake resort sector. (Heritage Resources Report).

Lakes attract young professionals and retirees ( Markussen) countering outflow of local population.

The kinds of jobs developed are often locally owned, essential to supporting the long term economic development trajectory for region. Business revenues generated stay in the community, not sent “to corporate”.

**Talking Point #2: Why SB 396 is necessary: lakes have special management demands and require appropriate programs and restoration projects for sustainability.**

Unlike the Bay and tributaries, the water bodies which dominate Maryland, lakes undergo a process called lake aging.

Man-made lakes go through this process earlier than natural lakes.

Aging dynamics: When the dam is completed, sediment and attached pollutants are trapped. Over time deposition begins clogging coves and negatively impacting water quality and conditions. As the cove waters become shallower, they become warmer, providing ideal conditions for growth of Submerged Aquatic Vegetation, Invasive Species, algal blooms and reduction of oxygen which impact fisheries.

If accumulated sediment and pollutants are not removed, these areas will eventually turn to wetlands.

Dredging is the well-accepted, cost-effective best management practice for lakes.

Dredging is a substantial expenditure but economic losses of not dredging far outweigh costs.

Other recognized best practices include shoreline stabilization, prevention of introduction of invasive species and their control, storm water management, and riparian buffering—none of which are taking place at DCL.

**Talking Point # 3: Current status: The State has no programs for Maryland lakes**.

Of the 120 lakes, reservoirs and ponds in Maryland, the State owns 15 lakes.

All Maryland lakes are man-made with many of the manifesting effects of lake aging and lack of programs and restoration investments.

There is no department, unit or even individual who is responsible for management of the state owned lakes. When DNR deals with lakes they use Bay watershed and tributary practices, not proven best management practices for lakes.

DNR did not even have list of these lakes until passage of our State Lakes Invasive Species Act in 2015.

**Talking Point # 4: Lakes are excluded from receiving state funds, programs which we support with our taxes.**.

Example: Waterway Improvement Fund, key source of dredging funds, was not available for lake dredging, until we changed the policy in 2015. This Fund receives revenues from 5% excise on sale of boats—including boat we buy at DCL.

Example: The Chesapeake and Coastal Bays 2010 Trust Fund, a major source of watershed programs and restoration, is not available for projects in the Youghiogheny Watershed, excluding DCL and Herrington Manor. We are not even included on their map; are told we are not a priority—the only section of the state to be excluded.

Example: We pay the Flush Tax for Bay restoration, with no funds flowing to lake restoration.

Example: Living Shoreline program is for stabilization of Bay shorelines. It is not available for lakes. Instead, stabilization of the state owned buffer strip is left to abutting private property owners to initiate, develop, submit plan, pay MDE $750 fee and cover costs of installation.

**Talking Point #5: Existing financing mechanism for DCL is insufficient to meet even minimal operational needs, yet alone cover costs for programs and restoration projects. At other lakes, there are no property owners to pick up the management costs.**

The Deep Creek Lake Recreation, Maintenance and Management Fund was created when the state bought the lake. It receives revenues from fees, mostly coming from the annual buffer strip permit fee. There is no mechanism for transfer of state funds into this dedicated Fund and no one has asked for this to be done.

In fact, revenues generated are siphoned off:

Of the c $900,000 in total revenues collected annually, 25% is paid to the Garrett County government as a Payment in Lieu of Taxes.

The County puts this revenue into its General Fund and has never chosen to allocate it for lake-related projects.

Under Governor Hogan, increase in fees and taxes is not allowed.

The State Park Boat Ramp fees should be channeled into the DCL Fund but for several years were sent elsewhere.

When the State bought the lake, it reduced the purchase cost with revenues from the “buy down”. These revenues should have been put into the DCL Fund for lake programs and restoration.

The dam operator, Brookfield Energy, does not pay a penny for the use of lake waters to generate their turbines and create their profits; though this is standard under FERC licenses and the 7 foot draw down has substantial environmental impacts.

We are repeatedly told by DNR officials “There are no funds”. No money for

Sediment study

Hydrilla control. ($200,000 a year for up to 8 years)

Control of Eurasian Watermilfoil found through the whole lake (up to $1 million a year)

Cleaning station at the State Park Boat Ramp, which could prevent introduction of the Zebra Mussel which will totally ruin the lake because no control measures exist.

**Talking Point # 6: Deep Creek Lake as state owned lake, when the state purchased the lake in 2000, it established a Code for lake management but it is not enforced.**

Premise of DCL management: “the protection of the lake as a natural resource, the preservation of its ecological balance, and furtherance of its highest use as a recreational resource”.

This premise is a reasonable guide for DNR management of all state-owned lakes.

But, DNR is not meeting these standards set in the Code of Maryland. The agency has not conducted an assessment nor has it developed an in-lake plan to determine a sustaining budget for effect management, program implementation and restoration.

**Talking Point #7: While the lake stakeholders, users, businesses, other beneficiaries, the county and the dam operator will participate, the fact is the State is owner and it must take the lead and make the investment. To do this, the creation of the State Lakes Protection and Restoration Fund is necessary to creation the funding mechanism for receipt and allocation of state monies.**

“A little bit of heaven”, how Albert Einstein referred to Deep Creek Lake**.**