



OFFICE OF THE INSPECTOR GENERAL
MONTGOMERY COUNTY MARYLAND

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RainScapes Rewards Rebate Program

OIG Publication # 25-05

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EXECUTIVE SUMMARY

In its continued effort to promote the efficiency and fiscal accountability of County funded programs, the Montgomery County Office of the Inspector General reviewed two programs (the RainScapes Rewards Rebate Program and the Water Quality Protection Charge Credit Program) administered by the Department of Environmental Protection (DEP) to educate and motivate property owners to install rainscapes on their properties to help control stormwater runoff. A rainscape is a landscape design technique or device that helps reduce stormwater runoff from a property and in some cases may also be used to capture and recycle stormwater. The RainScapes Rewards Rebate Program (RRP) offers a maximum lifetime rebate of \$7,500 for residential properties and \$20,000 for non-residential properties. The Water Quality Protection Charge (WQPC) Credit Program may amount to a decrease of up to 60% or 80% off a property owner's annual WQPC fee. In 2024 the County issued RRP rebates totaling over \$570,000 and WQPC credits totaling \$74,084.

RESULTS

- Generally, DEP effectively managed the processing of RRP applications and maintained adequate documentation to support the issuance of rebate awards.
- After the issuance of a rebate award, DEP staff did not regularly conduct onsite inspections of RRP rainscapes to verify that they remain properly maintained and functioning.
- Barriers exist that limit or prevent certain residents from participating in the RRP, creating inequitable opportunities for some residents to receive benefits over others.

RECOMMENDATIONS

- We recommend DEP evaluate and modify RRP related administrative practices to address and remedy barriers to access so all residents have opportunities to benefit from the program.
- We further suggest that DEP examine if changes to inspection requirements could further the goals of the RRP and WQPC Credit Program.

OBJECTIVES

Through this review we sought to: (1) determine whether RRP rebate disbursements are supported by proper documentation; (2) assess DEP's compliance with established inspection practices of rainscapes following the issuance of a rebate; (3) evaluate DEP's efforts to enforce the maintenance obligations of RRP rebate participants who receive WQPC credits; and (4) assess whether barriers exist which prevent or limit low-income residents from participating in the RRP.

SCOPE AND STANDARDS

Our review covered DEP's policies, procedures, and practices relating to the RRP and WQPC Credit Program for fiscal years 2023 and 2024. The review was conducted in accordance with the Association of Inspectors General, *Principles and Standards for Offices of Inspector General, Quality Standards for Inspections, Evaluations, and Reviews* (July 2024).

TABLE OF CONTENTS

Executive Summary	i
Background.....	1
Findings and Recommendations	3
OIG Comments to Chief Administrative Officer Response	5
APPENDIX A: Chief Administrative Officer (CAO) Response	6
APPENDIX B: Recommendation Status and Follow-up	8

BACKGROUND

A rainscape is a landscape or design technique or device that helps reduce stormwater runoff from a property and in some cases may also be used to capture and recycle stormwater.¹ When stormwater runs off individual properties it flows into drains and waterways, carrying trash, pollutants, animal waste, and other toxic chemicals. The County has created two incentive programs to educate and motivate property owners to install rainscapes on their properties to help control stormwater runoff.

In 2008, the Department of Environmental Protection (DEP) created the RainScapes Rewards Rebate Program (hereinafter referred to as “RRP”). In addition to educating residents about the negative effects of stormwater runoff, the program offers property owners a rebate if they install a rainscape on their property. The RRP offers a maximum lifetime rebate of \$7,500 for residential properties and \$20,000 for non-residential properties. There are six types of rainscapes that property owners may install under the RRP: green roofs, conservation landscaping, rain gardens, pavement removal, permeable pavement, and water harvesting (rain barrels and cisterns). In fiscal year (FY) 2024, DEP issued 120 RRP rebates to property owners totaling over \$570,000.

The other program that incentivizes property owners to install and maintain a rainscape on their property is the Water Quality Protection Charge (WQPC) Credit Program. The WQPC Credit Program is available to all property owners who maintain an operating rainscape, or other qualifying stormwater management practice, on their property. Under this program, property owners are eligible to apply for a reduction (referred to as a credit) to the annual WQPC fee that is assessed to all property owners and appears on their annual property tax bill. The credit is calculated based on the estimated volume of water captured by the stormwater management practice and may amount to a decrease of up to 60% or 80% off a property owner’s annual WQPC fee. In the tax levy year 2024, DEP assessed \$51,538,128 in WQPC fees across the County, not including federally owned properties. That same year, it issued WQPC credits totaling \$74,084.

RainScapes Rewards Rebate Program

The RRP has specific eligibility requirements, design criteria, installation requirements, and rebate amounts for each type of rainscape installed. Applications are submitted online and are assigned to a RRP planner who works with the property owner throughout the project lifespan.

After installation of the rainscape on the property, it must pass a final inspection by a RRP planner. Participants must also execute a Property Owner Agreement (POA) that gives the County permission to access the property to inspect the condition of the rainscape after issuance of the rebate. This POA contains no period of expiration. Notably, the POA does not contain any provisions for enforcement should the owner fail to properly maintain the rainscape.

¹ A rainscape is a type of stormwater management practice; there are different kinds of rainscapes and stormwater management practices. Other terms such as system, asset, tool, design, structure, and facilities are also often used interchangeably despite their meanings when discussing stormwater management practices. For purposes of this report, the term “stormwater management practices” shall mean any and all stormwater management types, including rainscapes.

WQPC Credit Program

Property owners seeking to participate in the WQPC Credit Program must submit an application online. A DEP staff member in the WQPC Credit Program reviews and approves the application based on the information provided. The credit is effective for three years; applicants must reapply to renew the credit.

Similar to the RRP, in order to receive a WQPC credit, a property owner must agree to comply with the program's maintenance requirements and consent to periodic onsite inspections by the County to ensure that the stormwater management practice is functioning in accordance with County law. DEP encourages property owners to inspect their own rainscape to ensure on-going maintenance.

Objectives, Scope, and Methodology

Through this review we sought to (1) determine whether RRP rebate disbursements are supported by proper documentation; (2) assess DEP's compliance with established inspection practices of rainscapes following the issuance of a rebate; (3) evaluate DEP's efforts to enforce the maintenance obligations of RRP rebate participants who receive WQPC credits; and (4) assess whether barriers exist which prevent or limit low-income residents from participating in the RRP.

For the first objective, we randomly selected 55 (out of 273) RRP applications for which the property owners received a rebate during FY2023 and FY2024. We examined the electronic files for each application to determine whether the files contained the supportive documentation that DEP requires for each rainscape installation project.

For the second objective, we randomly selected 60 (out of 322) RRP applications for which property owners received a rebate in FY2020 and FY2021 and reviewed DEP's FY2023 and FY2024 inspection records to determine when the 60 rainscapes were last inspected.

To evaluate our third objective, we interviewed staff and reviewed the WQPC Credit Program manual, inspection procedures, and records.

To evaluate our fourth objective, we interviewed staff, examined the RRP program requirements, analyzed the information collected on the sample of 55 RRP applications selected in the first objective, and researched best practices for the implementation of environmental programs that reduce existing inequities and avoid creating additional inequities.

Our review was conducted between August and November 2024, in accordance with the Association of Inspectors General, *Principles and Standards for Offices of Inspector General, Quality Standards for Inspections, Evaluations, and Reviews* (July 2024).

FINDINGS AND RECOMMENDATIONS

We generally found that DEP effectively managed the processing of RRP applications and maintained adequate documentation to support the issuance of all 55 rebate awards in our sample. We noted, however, that even though DEP expects rebate recipients to “keep [their] project reasonably maintained and property [sic] functioning throughout the year”², 55 of the 60 rainscapes we reviewed had not undergone an onsite inspection by DEP within three years after installation to ensure they were maintained. DEP told us that they anticipate fully implementing a triennial inspection program by FY2027.

We made a similar observation regarding the WQPC Credits Program in that DEP does not conduct onsite maintenance inspections of rainscapes or any stormwater management practices to ensure they are in proper working condition for purposes of participating in the program. Although DEP has the right to revoke a WQPC credit award if the property owner does not take measures to ensure that the stormwater management practice remains in proper working condition, staff reported that they do not exercise this right.

If routine inspections are not conducted it could compromise the effectiveness of the RRP and WQPC Credit Program and negate efforts to encourage environmental practices that help reduce stormwater runoff that may cause flooding, erosion, property and infrastructure damage, and contribute to pollution flowing into local waterways. DEP may want to examine if changes to inspection requirements could further the goals of these programs.

In our review of the administration of these two programs we found that barriers exist in the RRP that limit certain residents from participating in the program. DEP has acknowledged the impediments and shared that it is an issue that they plan to address.

Finding 1: Barriers exist that limit or prevent certain residents from participating in the RRP, creating inequitable opportunities for some residents to receive benefits over others.

Montgomery County is steadfast in its commitment to improving opportunities for all its residents. A pillar to this commitment is the County’s explicit resolve to reduce inequities by applying a racial and social justice lens to its policies, practices, programs, budgets, and allocation of resources; thereby dismantling or modifying programs and practices that benefit only certain groups. By applying an equity lens, government leaders consciously consider the potential racial or social impacts of their decisions and assess how to remedy or avoid inequitable risks and outcomes. With the enactment of the Racial Equity and Social Justice Act in 2019, all departments across the County are also required to develop an equity action plan aimed at advancing racial and social justice.

Upon examination of the RRP, we found evidence that the program is designed and structured in such a way that it inadvertently creates barriers to access that restrict or limit participation by certain residents. These barriers include:

² DEP website (<https://www.montgomerycountymd.gov/DEP/property-care/rainscapes/rainscapes-faq.html>), Frequently Asked Questions, Post Rebate Rewards Responsibilities.

FINDINGS & RECOMMENDATIONS

- **Funding.** This exists because participants must pay the costs of installation upfront and may only receive partial reimbursement. Reimbursement times also vary and can take several months to receive. Many low-income households are likely unable to fund this type of project and/or wait for repayment.
- **Property Ownership.** This exists because program eligibility requires home ownership to participate, thereby disqualifying renters from participation.
- **Expertise.** This exists because a professional is required for certain installation projects (e.g., permeable pavers) and as evident by most applicants using a contractor even when not required (likely because the project process and manuals/criteria can be complicated, dense, and time-consuming). DEP staff recognized that the “landscape design [without a contractor] is hard to do.” In fact, within our sample group for the first objective, 85% hired a professional contractor for their project.
- **Dissemination of Information.** This exists because sharing information about the RRP is limited. DEP staff reported that applicants often learn about the RRP through word-of-mouth, calling 311 if they have an ancillary issue, or through a contractor. While outreach efforts exist, the effectiveness and magnitude of these efforts in reaching low-income homeowners is questionable.
- **Language.** This exists because the application must be submitted in English and most related materials available on the RRP website are provided only in English.
- **RRP Application Portal Closures.** Since 2021, this has occurred at least once per year and generally lasts for several months. For example, in 2024, the portal closed from May 5 - September 16. During this time, the RRP did not accept any new applications. The RRP is first come-first serve. Residents with jobs that are time-restrictive/seasonal or who have less daily support and freedom to participate are restricted by the application period.

Because of these barriers, certain residents may be excluded from receiving financial and non-financial benefits, such as:

- having the value of their properties increased;
- reducing/absorbing stormwater on their property, thereby reducing flooding and erosion on their properties;
- having tools to reuse water, thereby reducing water bills;
- reducing or eliminating traditional lawn-maintenance expenses; and
- eligibility for the WQPC Credit Program, which results in on-going yearly financial savings off their annual assessment.

DEP staff acknowledged that equity barriers exist and have been a topic of discussion in DEP for years, to no avail. While DEP states that it hopes to find a solution, action has been inadequate to remedy the inequities or make the program more inclusive. Despite the good intentions of the RRP, DEP should do more to examine the program and adjust to ensure more equitable outcomes.

Recommendation 1

We recommend DEP evaluate and modify RRP related administrative practices to address and remedy barriers to access so all residents have opportunities to benefit from the program.

OIG COMMENTS TO CHIEF ADMINISTRATIVE OFFICER RESPONSE

The County Chief Administrative Officer's response to our report is included in its entirety in Appendix A. The response indicates concurrence with the OIG's recommendation. Appendix B summarizes the CAO's response to our recommendation and the OIG's assessment of the County's progress towards fully implementing the stated action.

APPENDIX A: CHIEF ADMINISTRATIVE OFFICER (CAO) RESPONSE

The Chief Administrative Officer provided the following response to our report:



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Richard S. Madaleno
Chief Administrative Officer

MEMORANDUM

January 15, 2025

TO: Megan Davey Limarzi, Esq., Inspector General

FROM: Richard S. Madaleno, Chief Administrative Officer *RSM*

SUBJECT: Response to Confidential OIG Draft Report – RainScapes Rewards Rebate Program (OIG Publication #25-05)

Thank you and your staff for the thoughtful evaluation of the Department of Environmental Protection's (DEP) administration of the RainScapes Rebate program (RRP.) The RainScapes Rebate program is an important component of the County's efforts to comply with the State's Municipal Separate Stormwater Sewer System (MS4) program. The RainScapes Rebate program provides a cost-share approach that incentivizes property owners to retrofit their properties with RainScapes techniques such as stormwater gardens, water harvesting, green roofs, permeable paver installation, pavement removal, and other approved projects that benefit clean water. Since the program's inception in 2008, over 4,600 property owners have applied to participate in the program to address runoff issues on their properties, and over the last five fiscal years, 1,760 properties and their owners have participated in the program.

The language of the RainScapes program handouts and resources that have been created for use by the public have been broadly adopted and rebranded by other jurisdictions in the region. Notably, the RainCheck program in Prince George's County built their technical information for a consumer audience from the RainScapes program information. Gaithersburg and Rockville use our design standards for their incentive projects. The program has been used as a model by a number of midwestern towns and has received inquiries from North Carolina and California as they were setting up with their new programs.

We appreciate the acknowledgment in the report that the Department of Environmental Protection effectively managed the processing of RainScapes Rebate program (RRP) applications and maintained adequate documentation to support the issuance of rebate awards.

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Response to Confidential OIG Draft Report – RainScapes Rewards Rebate Program (RRP) (OIG
Publication #25-05)
January 15, 2025
Page 2 of 2

The information below details the department’s planned actions to address the report’s recommendation.

Recommendation 1: We recommend DEP evaluate and modify RRP related administrative practices to address and remedy barriers to access so all residents have opportunities to benefit from the program.

CAO Response: We concur with the intent of the recommendation. As noted in the report, DEP has been discussing equity issues and potential access barriers across all of its programs for several years. With respect to the Rainscapes Rebate program, it should be noted that only property owners can participate in the rebate program, since renters do not have authority over property management. DEP plans to conduct an assessment of short-term and longer-term options for potentially increasing access to the Rebate program; and expects to have the results of that assessment completed by January 2026.

Thank you for bringing these matters to our attention.

cc: Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Jon Monger, Director, Department of Environmental Protection
Jeffrey Seltzer, Deputy Director, Department of Environmental Protection
Maxene Bardwell, Internal Audit Manager, Office of the County Executive

APPENDIX B: Recommendation Status and Follow-Up

This Appendix provides a summary of the findings and recommendations presented in this report along with the OIG’s assessment of the county’s progress towards addressing the recommendations. The OIG categorizes progress towards implementation into the following 4 status groups:

- Open Unresolved: No management response, inadequate response, or no agreement on corrective action plan.
- Open In Progress: Agreed on planned action, auditee is in the process of implementing stated actions, but no evidence of implementation has yet been provided to the OIG.
- Open Resolved: Auditee provided support to OIG indicating implementation was complete, OIG testing to ensure implementation.
- Closed: Recommendation has been implemented.

Finding #	Finding	Recommendation	CAO Response	Status
1	Barriers exist that limit or prevent certain residents from participating in the RRP, creating inequitable opportunities for some residents to receive benefits over others.	We recommend DEP evaluate and modify RRP related administrative practices to address and remedy barriers to access so all residents have opportunities to benefit from the program.	Concur: DEP plans to conduct an assessment of short-term and longer-term options for potentially increasing access to the Rebate program; and expects to have the results of that assessment completed by January 2026.	Open In Progress