

**CITY OF BALTIMORE
COUNCIL BILL 14-0176R
(Resolution)**

Introduced by: President Young, Councilmembers Branch, Henry, Scott, Kraft, Holton, Clarke,
Reisinger, Spector, Stokes, Middleton, Cole, Curran, Mosby, Welch

Introduced and read first time: June 2, 2014

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Department of Public Works, Department of Finance

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing - Increases to Water and Waste Water Fees**
3 **and Revenue Obligations**

4 FOR the purpose of requesting the Departments of Public Works and Finance to report to the City
5 Council on the water and wastewater utility fee increases passed in 2013 to take effect in
6 Fiscal Years 2015 and 2016, the increases to the maximum aggregate principal revenue
7 obligation the Water and Waste Water utilities have requested the City Council approve by
8 ordinance, the current status of the federal mandates to improve the City's water and
9 wastewater systems, the overall capital improvement plan for the water and wastewater
10 utilities; and to discuss assistance and programs available to assist those households that
11 experience financial hardship as a result of these increases.

12 **Recitals**

13 In 2002, the City of Baltimore entered into a consent decree with the Environmental
14 Protection Agency and Maryland Department of the Environment. In addition to the work
15 mandated by the consent decree, the City of Baltimore has an ambitious water and wastewater
16 capital improvement plan to meet State and Federal regulations. While progress has been made
17 and work is underway to meet the terms of the Consent Decree and repair and improve aging
18 infrastructure throughout the City, there remains significant work to be done.

19 In July 2013, the Baltimore City Board of Estimates approved a 15% water and wastewater
20 fee increase for Fiscal Year 2014 and 11% water and wastewater fee increases to go into effect
21 on the first day of Fiscal Years 2015 and 2016.

22 In May 2014, ordinances were introduced to the Baltimore City Council requesting that the
23 maximum debt limit of the Water Utility System increase from \$1.02 billion to \$2.15 billion and
24 the Wastewater Utility's borrowing authority increase from \$1.11 billion to \$2.36 billion. These
25 increases are requested because the Water and Wastewater Utilities will reach the currently
26 authorized maximum limit sometime in the next year and substantial funding is needed to meet
27 the needs as outlined in the capital improvement plan.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 These consistently high annual increases to water and wastewater fees combined with future
2 increases that will be needed to repay bond obligations create financial hardships on many of the
3 families in Baltimore as well as the households in the surrounding counties served by the City of
4 Baltimore’s water and wastewater utilities.

5 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
6 Departments of Public Works and Finance are requested to report to the Council on the water and
7 wastewater utility fee increases passed in 2013 to take effect in Fiscal Years 2015 and 2016, the
8 increases to the maximum aggregate principal revenue obligation the Water and Waste Water
9 utilities have requested the City Council approve by ordinance, the current status of the federal
10 mandates to improve the City’s water and wastewater systems, the overall capital improvement
11 plan for the water and wastewater utilities; and to discuss assistance and programs available to
12 assist those households that experience financial hardship as a result of these increases.

13 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the President of the
14 United States, the Speaker of the House, the Senate Majority Leader, the Mayor, the Director of
15 Public Works, the Finance Director, and the Mayor’s Legislative Liaison to the City Council.