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Testimony to the Baltimore City Council's Taxation, Finance and Economic Development Committee

From: Joan Jacobson, researcher of the upcoming Abell Foundation report: *Keeping the Water On: Strategies for Addressing High Increases in Water and Sewer Rates for the Most Vulnerable Customers*.

Thank you Councilman Stokes, Councilman Henry and members of the Taxation, Finance and Economic Development Committee for holding this hearing on such an important issue.

I have spent the last six months researching Baltimore's water affordability crisis for an Abell Foundation report that will be released in the coming weeks. The report analyzes the extent of the crisis – the great difficulties facing the city's low income water customers – and offers solutions. The report includes a road map for Baltimore with numerous examples of what other water utilities are doing across the country to help its low income citizens afford water. It also brings together a host of sobering facts that show how the city's water charges are unaffordable to a large segment of our population. Consider this:

In May, 2016, 24,862 city residential water customers were behind on their water and sewer bills.

That's 15 percent of all city residential water customers.

Collectively, they owed the city \$20.2 million.

Here's why:

The poorest water customers pay the highest percentage of their income for water and sewer.

In a ten year period (from 2006 to 2016) – even before the most recent rate hike - water and sewer prices increased by 126.7 percent. The typical bill grew from \$393 a year in 2006 to \$892 in 2016 (even before the most recent rate hike).

During that same time period the Federal Poverty Level for a family of four grew only by 21 percent (from \$20,000 to \$24,300).

Ten years ago those families were paying only 2 percent of their income for water and sewer. Today they pay nearly double (3.7 percent).

That exceeds the 3 percent recommended by the United Nations.

The UN calls running water "a human right." But in Baltimore - the city that pioneered safe drinking water a century ago - it is not a human right.

Shutting off water to our citizens:

As you know, the city shuts off water when a customer doesn't pay a bill. With so many delinquent bills, the city shut off water to 8,100 residential properties in 2015, and 1,385 in 2016. In 2015, only a little more than half of those homes (4,506) were able to pay delinquent bills to have water restored (By the way, it costs \$95 just to have your water turned back on).

City officials have said they believe the majority of homes they cut off from water are vacant. But they have not been able to confirm this claim. No one in the city's Department of Public Works, Baltimore Housing or the Health Department follows the status of people living in homes without running water. In fact, when DPW turns off the water, the agency is violating the city's Property Maintenance Code, which considers an occupied residential property without running water to be an emergency housing violation that requires correction in 72 hours.

My study gives three examples of citizens who went without running water for months. One has been without water for more than a year.

Study #1 is about a 17-year-old girl who lived for five months in Harlem Park without running water in a house rented to her boyfriend's grandfather. The landlord failed to pay the water and sewer bill. The grandfather moved to a senior living home. The girl and her boyfriend stayed in the house, having nowhere else to go. At night they took water from backyard spigots at nearby houses. Since they had no working toilet, they lined kitchen pots with plastic bags to relieve themselves. The girl eventually moved, renting a room in a home with running water. The house where she lived is now vacant.

Study # 2 is about a woman in Park Heights who lost her water service when she was six months pregnant with three children living in her home. She sent the children to live with relatives. She bought 40 gallon jugs of water with her food stamps. She used some water for drinking. The rest she used to bath and wash dishes. Once the water was dirty, she used it to flush the toilet. A homeowner, she nearly lost the house, since the water lien made her vulnerable to tax sale. With great difficulty she was able to raise money and get a grant from a community organization to pay the water bill and the tax lien.

Study #3 is about a woman in the Mill Hill community of Southwest Baltimore whose water bill spiked from a few hundred dollars a quarter to \$1,000. She thought it was an error the city would correct, but the bills kept mounting until the unpaid amount totaled more than \$8,000. The city turned off her water in August 2015. During the first several months her father lived with her. He had prostate cancer and Stage 3 Chronic Kidney Disease. She took water from a nearby laundromat and joined a \$20 a month fitness club so she could shower. She eventually moved her father to a relative's home. Public Works officials say tests on her line show a massive leak under her house that is her responsibility to fix. But she has said she could not afford the costly repairs. Today, she is still without water.

My study offers numerous examples of how Baltimore can make water affordable. One section is devoted to the Philadelphia City Council's recent enactment of a groundbreaking law that keeps bills affordable to the city's low income customers by charging them a fixed percentage of their income for water and sewer, with the agreement that they use water saving

devices in their homes. The law is modeled on gas and electric company payment systems that show more money is collected when customers can afford their bills.

Other recommendations include:

Linking the city's low income and senior citizens credits for water bills to the state's energy assistance program; customers already qualifying for energy credits will automatically receive the city's low income water bill aid, without having to fill out new paperwork. (This is already being done at the Washington Suburban Sanitary Commission in Prince Georges and Montgomery Counties and elsewhere in the country.)

In Baltimore, linking the state energy aid to the city's water credits could help an extra 20,000 poor city water customers, who get energy assistance, but may not know about the water programs or do not fill out the annual paperwork.

The study contains numerous other methods to reduce costs and aid low income water users, including offering loans or grants to pay for water saving devices and cheaper rates for low income customers who use small amounts of water.

I hope the study will be useful to the City Council as you tackle the challenge of making water affordable and keeping the faucets on in Baltimore.