# 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 <u>Assigned to: Taxation, Finance and Economic Development Committee</u> Committee Report: Favorable Adopted: August 11, 2014

## A COUNCIL RESOLUTION CONCERNING

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#### Informational Hearing - Increases to Water and Waste Water Fees and Revenue Obligations

FOR the purpose of requesting the Departments of Public Works and Finance to report to the City 3 Council on the water and wastewater utility fee increases passed in 2013 to take effect in 4 Fiscal Years 2015 and 2016, the increases to the maximum aggregate principal revenue 5 obligation the Water and Waste Water utilities have requested the City Council approve by 6 7 ordinance, the current status of the federal mandates to improve the City's water and wastewater systems, the overall capital improvement plan for the water and wastewater 8 utilities; and to discuss assistance and programs available to assist those households that 9 experience financial hardship as a result of these increases. 10

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### Recitals

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

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

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

> EXPLANATION: <u>Underlining</u> indicates matter added by amendment. Strike out indicates matter stricken 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.

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

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