


H. Raymond

FROM	NAME & TITLE	Henry Raymond, Director of Finance	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall		
	SUBJECT	City Council Bill 21-0007R – Investigative Hearing-Water Billing System		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

March 23, 2021

The Department of Finance is herein reporting on City Council Bill 21-0007R, Investigative Hearing-Water Billing System, the purpose of which is to hear from the Acting Director of the Department of Public Works (DPW) and the Director of the Department of Finance about the City's water billing system.

Baltimore City owns the water and sewer systems, and it has provided water and wastewater treatment to Baltimore County residents since the 1920s. A formalized agreement was signed in 1972, which established the payment agreement and cost allocation model (CAM) for the operation, maintenance, management, administration, and capital investments needed for these services. The City's water and wastewater billing processes are managed by the DPW Customer Support and Services Division (CSSD).

On December 21, 2020, the Baltimore City and Baltimore County Inspector Generals issued a joint report on the City's water billing system based on complaints about inaccurate water bills. This report found that thousands of digital water meters, in the City and County, are not fully functional and that there are more than 8,000 service tickets for County water accounts that the City has not addressed to the satisfaction of the County. In addition, the report highlights that there have been several contracts awarded since 2011 for the purpose of improving the water system, but major issues continue.

The Department of Finance has a limited role in the water billing process. The Bureau of Revenue Collections processes payments received, address issues related to payments, and issues refunds when authorized by DPW, but is not part of the administration or management of the program. The Bureau of the Budget and Management Research incorporates DPW's revenue projections and expected expenditures into the annual operating budget. The water and wastewater systems are enterprise funds, which means that all revenue collected from consumer usage of these systems must go back into the operations of these systems. The Water, Wastewater, and Stormwater Funds expense approximately 6% annually to cover General Fund costs associated with these services.

The Department of Finance will attend the hearing and answer questions related to the Department's role in the process.

cc: Natasha Mehu
Nina Themelis