


FROM	NAME & TITLE	Rudolph S. Chow, P.E., Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	CITY COUNCIL RESOLUTION 14-0176R		

DATE: July 30, 2014

TO

The Honorable President and Members
of the Baltimore City Council
c/o Natawna Austin
Room 400 – City Hall

I am herein reporting on City Council Resolution 14-0176R introduced by the Council President and Council Members Branch, Henry, Scott, Kraft, Holton, Clarke, Reisinger, Spector, Stokes, Middleton, Cole, Curran, Mosby and Welch.

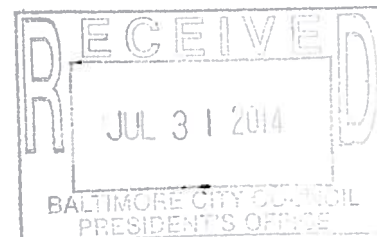
The purpose of the Resolution is to request the Departments of Public Works and Finance to report to the City Council on the water and wastewater utility fee increases passed in 2013 that take effect in Fiscal Years 2015 and 2016, the increases to the maximum aggregate principal revenue obligation for the Water and Wastewater utilities requested by ordinance, the current status of the federal mandates to improve the City’s water and wastewater systems and the overall capital improvement plan for those utilities, and to discuss the programs available to assist City households that experience financial hardship as a result of these increases.

The Department of Public Works is the agency responsible for operating, maintaining and managing the City’s water supply and treatment system and the wastewater collection and treatment system {Article VII §§ 33 and 34 of the Baltimore City Charter}. Both of these systems provide vital services to the citizens of Baltimore and the surrounding region.

	Water	Wastewater
Water bodies	Water sources: 3 reservoir impoundments & Susquehanna River	N/A
Treatment plants	3 filtration plants producing up to 265 mgd* of potable water	2 treatment plants capable of treating up to 250 mgd of wastewater
Pipes	3,700 miles of water mains in Baltimore City & County; 8,761 fire hydrants	1,400 miles of sanitary sewers
Pumping stations & other structures	24 pumping stations, 6 elevated tanks & 3 reservoirs	8 major pumping stations & 6 minor installations

*mgd – million gallons per day

No
obj



Resolution 9 of 1978 first established separate water and wastewater enterprise funds which must be financially self-sustaining and operate without profit or loss to other funds or programs of the City {Article VI § 18, Baltimore City Charter}. The Board of Estimates is the body that sets the water, sewer and miscellaneous fees and charges, upon recommendation of the Directors of Finance and Public Works. Prior to this action, the revenue collected from water and sewer bills were deposited in the General Fund. With the creation of the two utilities, the City was able to take advantage of federal grant funds stimulated by the 1972 federal Clean Water Act and subsequent amendments. The federal grants were eventually phased out and replaced with a revolving loan fund administered by the States.

City Council Resolution 14-0176R requests that the Directors of Public Works and Finance report to the Council on the water and wastewater rate increases scheduled for FY 2015 and 2016 and the reasons for the increases. In addition, the Resolution requests a status report on the federal mandates and related capital projects which require the requested Council approval for increases to the maximum aggregate principal revenue obligations for the water and wastewater utilities (City Council Bill 14-0375 and 14-0376). The hearing is scheduled for Wednesday, August 6 at 5 p.m. While I will attend and report to the Council at that time, the information I will be providing will include the following:

- Summary of the State and federal regulatory compliance and environmental mandates our facilities must meet to protect Chesapeake Bay from excessive nutrients, the covering or treating of our open finished water reservoirs, and the extensive capital investment in the wastewater conveyance system during the final stages of the Consent Decree;
- Proactive programs to keep our existing water and wastewater infrastructure well maintained and functional for a long service life;
- Grant and low and no interest funding sources used to lower the impact of capital programs;
- Internal efficiencies and better customer services;
- Recent efforts to shift the federal focus on a manageable mandate implementation schedule that recognizes the affordability challenges for compliance; and
- Update on our safety net provisions for customers experiencing hardships paying water and sewer bills, and how those programs' assistance levels float with the rate increases.

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I look forward to attending the City Council committee hearing on City Council Resolution 14-0176R to provide the members with this important information.

Sincerely,

A handwritten signature in blue ink that reads "A. Dale Thompson" with "for RSC" written in smaller letters to the right.

Rudolph S. Chow, P.E.
Director

RSC/MMC:ela