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<b>TO</b>	The Honorable President and Members of the Baltimore City Council
<b>FROM</b>	Corren Johnson, Director – Department of Transportation
<b>DATE</b>	June 24, 2024
<b>SUBJECT</b>	24-0481 Revenue Obligations - Water Projects

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## **Position: Support**

### Introduction

For the purpose of increasing the City’s authorization to issue revenue obligations within the maximum aggregate principal amount of the revenue obligations authorized and calculated, as of June 30 of each year, by the City to finance or refinance wastewater facilities and, in that connection, amending and restating Ordinance 02-332, as amended by Ordinances 07-421, 11-430, and 14-293; authorizing the Board of Finance to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

### DOT Analysis

Council Bill 24-0481 would provide the Wastewater Utility with more funding flexibility by changing the way revenue obligations are calculated. As it stands, the City may issue up to \$2.363 billion in bonds for wastewater utility projects. The legislation would return the dollar amounts of paid obligations to the amount that can be borrowed. This would extend the useful life of the existing authorization for issuing revenue obligations. Council Bill 24-0481 would also require the Wastewater Utility to reflect in its rates the cost of outstanding revenue obligations, ensuring debts are repaid and thus protecting the City’s creditworthiness.

### Conclusion

The Department recognizes the importance of adequately funding wastewater projects to remediate deferred maintenance issues and continue to address environmental concerns. Therefore, the Department supports the advancement of Council Bill 24-0481.