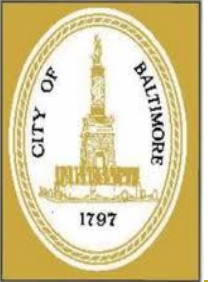


<b>FROM</b>	<b>NAME &amp; TITLE</b>	Matthew W. Garbark, Acting Director	CITY of BALTIMORE  <i>MEMO</i>	
	<b>AGENCY NAME &amp; ADDRESS</b>	Department of Public Works 600 Abel Wolman Municipal Building		
	<b>SUBJECT</b>	City Council Bill 20-0626		

November 9, 2020

**TO:** Taxation, Finance, and Economic Development Committee

**INTRODUCTION**

I am herein reporting on City Council Bill 20-0626 introduced by Council President Scott and Council Members Clarke, Henry, Bullock, Dorsey, Burnett, Sneed, Middleton, Cohen, Pinkett, Reisinger, and Stokes.

**PURPOSE**

The purpose of the Bill is to clarify certain sections of Ordinance 20-336 for tenants’ access to Department of Public Works’ programs, protect against conflict of interest for certain employees and hearing officers, specify the collection of certain data metrics by the Office of Customer Advocacy and Appeals (the “Office”), customers’ right to dispute determinations made by the Department; amend certain sections of the Ordinance to remove the Director of Public Works from the Committee for Office Oversight and replace with the Mayor or his or her designee, change the effective date of the Ordinance, require public comment periods for all new or amended rules and regulations governing the operations of the Office or the Environmental Control Board hearings, or restrictions of certain rights granted to customers under the Ordinance, the suspension of water cutoffs and service restoration fees until the Ordinance is fully implemented; and provide for special effective dates for certain provisions and activities.

**BRIEF HISTORY**

Ordinance 20-336, known as the Water Accountability and Equity Act (WAEA), as currently written in law, codifies a water and sewer bill assistance program for residential customer and tenant households whose eligibility to participate is based on their annual income relative to a percentage of the federal poverty level (FPL). The WAEA Water-for-All assistance program allows for residential households with annual income of 200% or less of the FPL to apply for this relief. Based on where the household falls within different FPL tier groupings, a formula is used to determine an annual credit that would keep the water and sewer bill payments at no more than 1%, 2%, or 3% of the household’s annual income. Pre-enrollment arrearages could be paid down for the equivalent of on-time payments under the assistance program. The WAEA was to have been in force no later than 6 months after its enactment date (January 13, 2020). However, due to the impact of COVID-19

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pandemic, the Mayor issued an Executive Order delaying the implementation of WAEA and subsequently introduced City Council Bill 20-0547 to change the effective date to July 1, 2021. City Council Bill 20-0626, in addition to changing the full implementation date of the WAEA to July 1, 2021, would, among other things, modify several sections of the law, provide for the gathering of a list of data metrics by the Department for the Committee for Office Oversight, and set interim deadlines for certain sections and provisions of WAEA.

### **OPERATIONAL/FISCAL IMPACT**

There are several sections of the WAEA that complicate its implementation, and which are not addressed in City Council Bill 20-0626: a formula that requires unique water and sewer charges' discounts calculated for each eligible customer; and the inclusion of tenants who live in multi-rental unit structures or communities served by a master meter. Tenants who live in single-unit rentals and who are given permission by their landlord to receive and pay for the water and sewer bills directly, are eligible for Water-for-All assistance, which is the practice for any of the current assistance programs offered by the Department of Public Works. As the water and sewer bills are premise-based, the Department has a customer account relationship tied to the property owner and the meter servicing the property. Thus, tenants who live in properties served by a master meter are not water customers of the City; rather, they are customers of the property owner. This circumstance creates two problems: (1) the WAEA is requiring the water and sewer utilities to fund payments to persons who are not customers; and (2) there is no means to reasonably verify that the funds are applied to the water and sewer charges imposed by the household's landlord. These issues continue to hamper the Department's ability to quickly and completely comply with the intent of the WAEA law. While the Department continues to work on these issues, finding a way to resolve them has certainly slowed the progress toward full compliance with the law. The Department is working to identify a tiered approach based on income and tied to the FPL that is very close to the intent of the WAEA provisions.

This Department has reviewed the proposed clarifications and modifications embodied in the provisions of City Council Bill 20-0626. In addition to the amendments proposed by the Law Department, a summary of this Department's comments and proposed amendment, are detailed below for the Committee's consideration.:

Article 13 {Housing and Urban Renewal}

§ 7-3: See Department of Law amendment.

Article 24 {Water}

§ 2-1(E) – See Department of Law amendment.

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§ 2-17(c) and (D) – See Department of Law amendment. The Department is willing to collect relevant data within the bounds outlined by the Department of Law.

§ 2-18(E) – See Department of Law amendment.

§ 2-19(A) – (D) – See Department of Law amendment.

§ 2-21(a)(1) and (2) – See Department of Law amendment.

§ 2-23(b)(3) – This Department does not object to the removal of the Director of Public Works from the Committee for Office Oversight.

Section 3 – The effective date of the law would be changed from January 13, 2021 to July 1, 2021. In addition, this Section would require the Department to produce rules and regulations for administering the Water-for-All program, within 3 months of the enactment date, for public comment, as also noted in Section 5 (a)(1) and (2) of the Bill. While the Department will work toward this completion deadline, concerns remain that the complicating issues described earlier in this report may impede full compliance.

Section 5, Interim Dates –

(a)(1) and (2) – While the Department of Public Works will work toward completion of the Water-for-All rules and regulations, the issues noted above and described earlier in this report will need to be resolved before full compliance will be achieved.

(b)(1) – This provision would be based on the Department of Law’s amendment, which restores the original language of Article 13 § 7-3(a-1) and Article 24 § 2-1(d).

(b)(2) – To allow for adequate time to prepare a notification letter and insert into all the billing cycles for City water billing accounts, it is recommended that this interim deadline be changed to 60 business days after this legislation is enacted. A proposed amendment has been prepared and is attached to this Bill report.

(c)(1), (2) and (3) are acceptable interim deadlines for this Department.

(d) – The Department defers to the Environmental Control Board, but this interim deadline would only provide the ECB with a few weeks in which to comply.

(e)(1) – The Department of Public Works defers to the Environmental Control Board.

(e)(2) – As noted above, the Department of Public Works is willing to collect relevant data within the bounds outlined by the Department of Law.

(e)(3), (4) and (5) – The Department of Public Works concurs.

(f)(1) and (2) – The activation of the Committee for Office Oversight is not within the purview of the Department of Public Works.

(g) – The Department of Public Works is willing to comply with this deadline.

(h) – The Department of Public Works does not object to these measures.

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**AGENCY/DEPARTMENT POSITION**

The Department of Public Works supports the amendments proposed by the Department of Law, in addition to the comments and amendment proposed by this Department, concerning City Council Bill 20-0626. The Department also cautions that full implementation of the WAEA Water-for-All assistance program is dependent upon resolving the challenges of individualized, unique credits for each eligible household and addressing the concerns with tenants served by master meters.



Matthew W. Garbark  
Acting Director

MWG:MMC

Attachment