


FROM	NAME & TITLE	Steve Kraus, Director of Treasury Management <i>SK</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 7, 200 N. Holliday (410 396-3386)		
	SUBJECT	City Council Bill #14-0176R – Water and Wastewater Fees		

DATE: August 4, 2014

TO

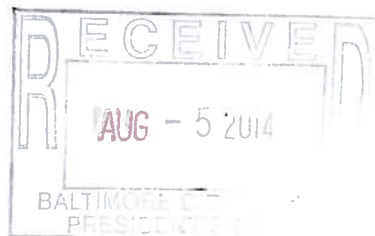
The Honorable President and
Members of the City Council
Room 400, City Hall

The purpose of this informational hearing resolution is for the City Council to seek reports from both the Department of Public Works and the Department of Finance on the following:

- Water and wastewater rate increases passed by Board of Estimates in June 2013. These increases take effect in FY 2015 and FY 2016.
- Increases to the maximum principal balances of the water and wastewater debt limits requested by separate ordinances.
- Update to the federal mandates relating to the water and waste water utility systems, the capital improvement program of each utility and types of financial assistance programs available to city residents.

Enabling legislation that established the water and wastewater utilities states that they are to be operated as self-supporting enterprises - meaning users of the systems are expected to pay for the cost of supplying water and sewer service. The legislation also directs the Board of Estimates to establish the rates and charges of each enterprise based on the recommendation of the Directors of Finance and Public Works. Rate increases and debt limits are driven by the operating and capital requirements of the respective utilities. Currently, the City is dealing with both an aging infrastructure and federal consent decrees covering both water and wastewater. These concerns are occurring in the very near term and, in our view, require a significant financial commitment. As enterprise funds, the cost of this financial commitment is to be borne by users of the system. While the Department of Public Works is making great progress in addressing the consent decrees and infrastructure replacement – there is much more to be done. The Department of Public Works shall provide at the hearing detailed information on the main drivers of the rate increase, capital borrowing limits, and financial assistance programs available to our residents.

cc: Harry Black
Angela Gibson -



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