
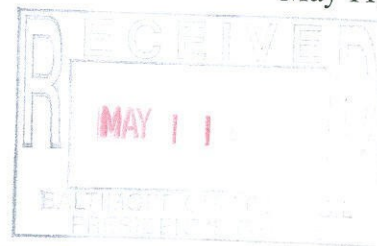


FROM	NAME & TITLE	Alfred H. Foxx, Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	CITY COUNCIL BILL 11-0280R		

TO

DATE: May 11, 2011

The Honorable President and Members
of the Baltimore City Council
c/o Karen Randle
Room 400 - City Hall



I am herein reporting on City Council Resolution 11-0280R introduced by Council Members Kraft, Curran, Henry, Middleton, Cole, Branch, Holton, Welch, Spector, Conaway, Stokes, Clarke, and Reisinger.

The purpose of the Resolution is to request the Department of Public Works to report to the Council on the proposed water, sewer, and miscellaneous fee increases scheduled to take effect on May 19, 2011; to provide the Council with detailed information regarding the need for the proposed increases, including infrastructure needs and federal mandates; to describe any other funding sources that were considered by the Department to address these needs; to list the opportunities that were given for public comment; and to describe assistance available to those households for whom these increases would create financial hardship.

Article II §§ 31 and 45 of the Baltimore City Charter recognizes the City's right to establish, operate, maintain, regulate and control a system of sewers and water supply and to make charges for these services. Article VI § 18 of the Charter established the water and wastewater utilities (in 1979) that must function as separate enterprise funds, be financially self-sustaining and operate without profit or loss to other funds or programs of the City. The Department of Public Works is the agency charged with the responsibility for the water and sewer utilities (§§ 33 and 34 of Article VII). 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.

On April 13, 2011, the Department of Public Works requested the Board of Estimates to hold a hearing in one month's time on proposed water, sewer and miscellaneous fee increase. A summary was published in the agenda that day, and a hearing on the issue was scheduled for 9 a.m. on May 18, 2011 before the Board of Estimates. Advertisements were placed in newspapers and a press release outlining the proposed water/sewer rate increase of 9% was issued on April 13th as well. In brief, the increase is necessary to meet State and federal regulatory compliance and environmental mandates, homeland security needs and infrastructure replacement costs. Protecting Chesapeake Bay from excessive nutrients require even more stringent reductions in phosphorus and nitrogen levels in both wastewater treatment plant discharges, building facilities that will function to the limit of technology.

Comments

The Honorable President and Members
of the Baltimore City Council

May 11, 2011

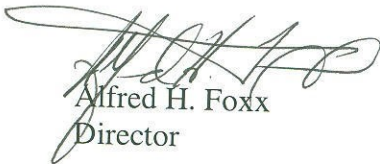
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The Consent Decree is continuing to require extensive investment in capital projects and in operational and maintenance costs for the wastewater conveyance system during the final stages of this federally mandated program. Changes in the federal Safe Drinking Water Act regulations require hundreds of millions of dollars in filtration and reservoir improvements, including the covering or treating of open finished water reservoirs. Aging water mains must be repaired or replaced at a more rapid rate to reduce water main breaks and to limit loss of treated water.

Public Works has kept its rate increase requests to 9% even though infrastructure investment needs would demand a much higher rate increase. If the proposed rate increase is approved, a typical family of four is expected to pay an additional \$88 per year. The City does offer several safety net provisions to assist customers who are experiencing hardships in paying their water and sewer bills.

- The Low Income Senior Citizen Discount Program provides a 30% discount on water and sewer rates for eligible seniors age 65 or older who are City residents and whose gross (combined) household income does not exceed \$25,000. This program is available to homeowners and to tenants whose lease holds them responsible for paying the water bill. In 2010, 2,601 seniors participated in this program.
- The Low Income Assistance Crisis Intervention Grant Program provides an annual grant of \$125 and is available to City customers at the point of delinquency notice. Customers who have received a delinquent, turn-off or tax sale notice due to being in arrears on their water bill and who are income-eligible may receive this assistance. In FY 2010, 1,836 customers participated in this program.
- The Department of Finance, our collections agency, administers Water Payment Plan Agreements which allow customers experiencing hardship to spread out payments and get their accounts under control. In FY 2010, 4,944 City customers took advantage of this program.

The Judiciary and Legislative Investigations Committee will hold the informational hearing on Thursday, May 12, 2011 at 10:30 a.m. Representatives of the Department of Public Works will attend to present the requested information.



Alfred H. Foxx
Director

AHF/MMC:pat