

TO: The Honorable Nick Mosby, President, Baltimore City Council
FROM: Dana Petersen Moore, Director, Office of Equity and Civil Rights
THRU Ty'lor Schnella, Legislative Liaison, Office of Equity and Civil Rights

DATE: 09/25/2023

COMMITTE

Public Safety and Government Operations

BILL SYNOPSIS

City Council Resolution 23-0414 has been introduced for the purposes of inviting representatives from the Office of the City Administrator, the Director of the Department of Public Works, the Mayor's Office of Government Relations, the Office of Equity and Civil Rights, and any other relevant agencies to report on the topics outlined in the Resolution. An additional purpose is to provide information as needed by the Public Safety and Government Operations Committee.

CONCLUSION

Any changes to Baltimore City's control of its water and wastewater utility system will have profound impacts on Black, Latine, and other residents of color. Therefore, it is crucial that the Water Governance Task Force explore any potential disparate impacts that may arise from any governance models under its consideration, prior to making any formal recommendations on changes to the governance model.

FURTHER CONSIDERATIONS

Detroit, a city of comparable racial composition and population size, experienced the forced regionalization of its water and sewage utility system, a move that is well-documented for its detrimental impact on its Black, Latine, Immigrant, and other marginalized communities. The Water Governance Task Force should consider the experience of Detroit, particularly the lessons drawn from establishment of The Great Lakes Water Authority (GWLA), as a case study to safeguard against the possibility of similar injustices occurring in Baltimore City.

Content Warning: The document you are about to read is a Racial Equity Impact Assessment ("REIA"), a careful and organized examination of how City Council Resolution 23-0182R will affect different racial and ethnic groups in Baltimore City. We hope that this assessment sparks a conversation that is brave, empathetic, thoughtful, and open-minded.

Analysis by: Ty'lor Schnella, Legislative Liaison, Office of Equity and Civil Rights

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RESOLUTION SUMMARY

The following content summarizes City Council Resolution 23-0182R in plain language for the purposes of discussion. This explanation is not a substitute for reading the bill, or if passed, the law.

This Resolution was introduced and read for the first time at the July 17, 2023, meeting of the Baltimore City Council. According to the Resolution, "there remain several outstanding questions regarding the work of the Regional Water Governance Task Force that the Council would like to discuss with agency officials." The Council has invited agency representatives to be briefed on the following:

- An outline of the recommendations in the 2021 Water/Sewer Services Comprehensive Business Process Review study.
- A list of the individuals who will be appointed to the Task Force by the Mayor of Baltimore City.
- An outline of the process the Task Force will be taking to create and assess various recommendations.

A Resolution is a formal and structured statement adopted by a governing body, such as a council, to express its views, decisions, or intentions on a specific matter or issue.

BACKGROUND

To analyze the racial equity impacts of this resolution, it is critical to understand the context surrounding the issue. Below, we provide background pertinent to the topic of City Council Resolution 23-0414. There may be omissions of relevant information related to these topics. We encourage you to dive further into research on your own or by using the footnotes provided herein as a starting point.

Baltimore Regional Water Task Force (HB843) – Enabling Legislation

During the 2023 Session of the Maryland General Assembly, House Bill 843 (<u>HB843</u>) was introduced with the aim of creating the Baltimore Regional Water Task Force, referred to as "The Task Force." This legislation was jointly introduced by representatives from both the <u>Baltimore City</u> and <u>Baltimore County</u> House Delegations in the Maryland General Assembly. Governor Wes Moore signed the bill into law on April 24, 2023, and it will remain in effect until June 30, 2024.

According to the legislation, the Task Force consists of the following members:

- one member of the Senate of Maryland, appointed by the President of the Senate;
- one member of the House of Delegates, appointed by the Speaker of the House;
- two members appointed by the Governor;
- five members appointed by the Mayor of Baltimore City;
- three members appointed by the County Executive of Baltimore County; and

¹ Baltimore City Council Resolution 23-8182R (First Reader)



• one member from either Anne Arundel County, Carroll County, Howard County, or Harford County, appointed by the Chair of the Baltimore Metropolitan Council.

Each member of the Task Force must have knowledge of:

- water;
- wastewater; or
- financing of water or wastewater infrastructure; or
- represent ratepayers in their respective jurisdictions.

This legislation mandates that the Mayor of Baltimore City and the County Executive of Baltimore County jointly appoint a chair for the Task Force. Additionally, the Mayor and County Executive are obligated to allocate staff resources to support the Task Force.

The Task Force is required to:

- Review the findings under Task 2 (<u>Review the City and County Organizational Structure and Governance Models</u>) of the Water/Sewer Services Comprehensive Business Process Review for Baltimore City and Baltimore County, as finalized in July 2021;
- Review the findings under Task 2.4 (<u>Governance Model Examples and Case Reviews</u>) of the Water/Sewer Services Comprehensive Business Process Review for Baltimore City and Baltimore County, as finalized in July 2021, and other existing regional water and wastewater governance models to assess how different regional approaches may improve:
 - o management;
 - o operations;
 - o employee recruitment;
 - o retention and training;
 - o billing and collections;
 - o planning for capital improvements;
 - o emergency management;
 - o and rate stability for customers.
- Assess alternative governance structures for the Baltimore region's water and wastewater utility, including frameworks for:
 - o governance;
 - o financing;
 - o capital planning;
 - o future system capacity expansion;
 - o decision–making processes;



- o and ongoing operations and maintenance of safe, efficient, equitable, and affordable water and wastewater systems serving the Baltimore region.
- Analyze the fiscal implications and efficiencies of each alternative governance structure, including estimated short— and long—term costs, 10—year historical costs that both jurisdictions have paid to the utility, and cost—savings associated with:
 - o systems transitions;
 - o asset leases and capital planning;
 - o rate restructuring for Baltimore City, Baltimore County, and other wholesale stakeholders;
 - o debt consolidation and extension; and
 - o staffing and pension liabilities;
- Recommend the governance model best suited for water and wastewater systems in the Baltimore region and the necessary legislation and funding to establish the recommended model.
- Report its findings and recommendations to the Mayor of Baltimore City, the County Executive of Baltimore County, the Governor, and, in accordance with § 2–1257 of the State Government Article, the General Assembly on or before January 30, 2024.

Regional Water Governance Task Force – Membership

Name	Position	Job Title
Bill Henry	Task Force Chair	Baltimore City Comptroller
Timothy Barr	Task Force Member	Managing Director of Water/Wastewater at Maryland Environmental Service
Lauren Buckler	Task Force Member	Deputy Director of the Baltimore County DPW & Transportation
Lester Davis	Task Force Member	Vice President and Chief of Staff CareFirst Blue Cross BlueShield



Regional Water Governance Task Force – Membership (Continued)

	Name	Position	Job Title
	Yosef Kebede	Task Force Chair	Director of the Howard County DPW
	Cory McCray	Task Force Member	Deputy Majority Whip, Maryland State Senate
	Jessicca Medicus	Task Force Member	Environmental Manager, Bay Associates Environmental Inc.
	Jason Mitchell	Task Force Member	Former Director, Baltimore City DPW
AFSC	Patrik Mitchell	Task Force Member	President of the American Federation of State, County and Municipal Employees Council 3
	Kishia Powell	Task Force Member	General Manager and CEO of the Washington Suburban Sanitary Commission (WSSC Water)
	Carla Reid	Task Force Member	Former General Manager of WSSC Water
	Dana Stein	Task Force Member	Vice Chair of the Environmental and Transportation Committee, Maryland House of Delegates
	`Robert Summers	Task Force Member	Former Maryland Secretary of the Environment



It is within this context that the Office of Equity and Civil Rights analyzes City Council Resolution 23-0182R.

SECTION 1: WATER AFFORDABILITY PROGRAMS

On Tuesday, February 8, 2022, Mayor Scott announced the launch of the Water4All discount program. This program was intentionally structured to enhance access to financial assistance for Baltimore City residents whose incomes fall below 200% of the <u>federal poverty level guidelines</u>. The program employs a formula to calculate the maximum amount a household should pay annually for water and sewer services, based on a percentage of their yearly income. The difference between this calculated maximum and the estimated annual water and sewer bill constitutes the household's annual discount.

At its core, the Water4All program features a structured monthly discount framework for water and sewer costs, thoughtfully calibrated to align with residents' income levels. This approach ensures that the program provides targeted support for Baltimore City's most economically disadvantaged residents. Notably, this program extends assistance eligibility to tenants who are not directly responsible for paying water bills, which is not a standard practice for water service providers. This expansion recognizes the imperative of ensuring equitable access to water assistance for all residents, regardless of their specific billing and/or living arrangements. Furthermore, residents can apply for financial assistance through this program without requiring a Social Security Number (SSN). While many municipalities throughout the nation are exploring measures that exclude vulnerable residents who lack a Social Security Number (SSN), Baltimore City is leading the way by embracing an approach that acknowledges water as a fundamental human right that is not contingent upon having an SSN.

The Water4All program's inception is anchored in the legislative framework of the Water Accountability and Equity Act. This legislation not only gave rise to the Water4All assistance program but also lays the foundation for a comprehensive set of rights and protections for customers of water and wastewater services. It serves as a testament to Baltimore City's steadfast dedication to guaranteeing that each resident can avail themselves of clean and safe water without enduring excessive financial burdens. This commitment ultimately amplifies the city's focus on ensuring equitable and responsive water services that cater to the diverse requirements of its population.

Racial Equity Impacts

Water affordability programs, such as Water4All, must remain in place, regardless of any potential changes to the water governance model in Baltimore City. These programs serve as a beacon of equity and social justice, addressing the stark disparities that have persisted in urban centers for generations. In Baltimore, where economic disparities often mirror the racial and social divisions of the past, these initiatives are nothing short of essential. They ensure that vulnerable residents, who have historically been denied access to basic necessities, can still enjoy the fundamental human right to clean and affordable water. Losing such



programs would not only be a disservice but also catastrophic for the most underserved communities in the city.

One of the critical aspects of the Water4All program is its usefulness in protecting the city's most vulnerable populations. It provides a vital safety net for low-income families, the elderly, and individuals with limited means. These programs shield residents from the burdensome costs of water, which can often be a substantial portion of their limited budgets. By keeping water affordable, Water4All ensures that individuals and families can allocate their resources to other crucial needs, such as food, housing, education, and healthcare. This protection is particularly essential in Baltimore City, where many households struggle to make ends meet, and the threat of water shutoffs looms large. The program's presence offers a lifeline, shielding vulnerable residents from the devastating consequences of water insecurity, including potential eviction, health crises, and financial distress.

In Baltimore City, losing water affordability programs like Water4All would be nothing short of catastrophic. It would deepen the chasm of inequality, perpetuate the cycle of poverty, and expose the most vulnerable city residents to even greater hardships. Furthermore, such a loss would undermine the city's progress in achieving environmental sustainability, public health, and social equity. It is imperative that we recognize the invaluable role these programs play in safeguarding the well-being of city residents, and we must ensure their continuity, irrespective of any changes in water governance models. The preservation of Water4All is not just a matter of policy; it is a moral imperative and a testament to our commitment to a more equitable and compassionate Baltimore City.



ASSESSMENT LIMITATIONS

Alongside the analysis provided above, the office of Equity and Civil Rights encourages readers to keep the following limitations in mind:

Assessing legislation's potential racial equity impacts is a rigorous, analytical, and organized undertaking—but it is also an exercise with constraints. It is impossible for anyone to predict the future, implementation does not always match the intent of the law, critical data may be unavailable, and today's circumstances may change tomorrow. Our assessment is our most educated and critical hypothesis of the bill's racial equity impacts.

This assessment aims to be accurate and useful, but omissions may exist. Given the density of racial equity issues, it is unlikely that we will raise all relevant racial equity issues present in a bill. In addition, an omission from our assessment should not: 1) be interpreted as a provision having no racial equity impact or 2) invalidate another party's racial equity concern.

Regardless of the Office of Equity and Civil Rights' final assessment, the legislation can still pass. This assessment intends to inform the public, Councilmembers, Council staff, and any other interested parties about the legislation through a racial equity lens. However, this assessment is not binding on the sponsor of the legislation, the City Council, or any other applicable parties.