



**BALTIMORE CITY COUNCIL
PUBLIC SAFETY AND GOVERNMENT OPERATIONS
COMMITTEE**

Mission Statement

On behalf of the Citizens of Baltimore City, the Public Safety and Government Operations Committee will be responsible for matters concerning public safety, including, but not limited to; emergency preparedness, police services, fire/EMS, and the executive, administrative, and operational functions of the city government and libraries.

**The Honorable Mark Conway
Chair**

PUBLIC HEARING

**Wednesday, September 27, 2023
1:00 PM**

CLARENCE "DU" BURNS COUNCIL CHAMBERS

**Resolution 23-0182R
Informational Meeting Regional Water Governance Task Force**

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Antonio Glover
Odette Ramos
Robert Stokes

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Robert Stokes

Danielle McCray

Staff: Marguerite Currin (443-984-3485)



SYNOPSIS

Public Safety and Government Operations

23-0182R

Informational Hearing – Baltimore Regional Water Governance Task Force

Sponsor: Councilmember Ramos

Introduced: July 17, 2023

Purpose:

FOR the purpose of inviting representatives from the Office of the City Administrator, the Director 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 this resolution and provide additional as information needed by the Committee.

Effective: The 30th day after the date it is enacted.

AGENCY REPORTS

City Solicitor	Approves for form and legal sufficiency
City Administrator	No Objection
Department of Public Works	
Mayor’s Office of Government Relations	
Comptroller Office	
Office of Equity and Civil Rights	

ANALYSIS

Background

MD State Law

Under Title 9, Subtitle 5 of the Environment Article – Baltimore City is solely responsible for water and wastewater systems. Baltimore County pays its portion of the cost of the system.

Approved by the governor in April 2023. The Baltimore Regional Water Governance Task Force (the Task Force) was created to review the findings of a joint study between Baltimore City and Baltimore County (Water/Sewer Services Comprehensive Business Process Review July 2021). The Task Force must submit a report to State and Local government entities no later than January 30, 2024.

In that report the Task Force will report and make recommendations on the following:

- Organizational and Governance Structure
- Business processes
- Alternative governance structures
- Fiscal implications and efficiencies of alternative governance structures
 - This will include short and long-term costs, 10-year historical costs paid by Baltimore City and County, and potential cost savings.
- Recommend a governance model for the water delivery and wastewater systems for the Baltimore Region.
 - The report will also include recommendations for legislation and funding for this model.

The Task Force is comprised of the following members:

- A member of the Maryland Senate appointed by the President of the Senate
- A member of the Maryland 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
- A member from Anne Arundel County, Carroll County, Howard County, or Harford County, appointed by the Chair of the Baltimore Metropolitan Council
- A chairperson appointed jointly by the Mayor of Baltimore City and the Baltimore County Executive.

Actions by the Task Force require ten affirmative votes.

Bill Resolution

The resolution bill for this hearing requests representatives from various city agencies to update the council 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, including, but not limited to:
 - How the Task Force will allow the public to provide input on challenges with the current systems.
 - How the Task Force will allow the public to provide input on the Task Force’s draft recommendations.
 - An equity assessment to inform the recommendations as they are developed and a future equity assessment on the Task Force’s draft recommendations.
 - An economic assessment on the impact of the recommendations.
 - An assessment of the impact on workers and jobs for City employees.
 - An analysis of how the recommendations will preserve Baltimore City’s control of the water system.
 - A timeline for a report draft and public comment period.
 - Any other relevant information the Committee may need.

ADDITIONAL INFORMATION

Fiscal Note: None

Information Source(s): 23-0182R 1st Reader, MD Senate Bill 880, Executive Summary City County Water Report

Analysis by: Anthony Leva Committee Staff Direct Inquiries to 410-369-1091
Analysis Date: July 27, 2023

CITY OF BALTIMORE
COUNCIL BILL 23-0182R
(First Reader)

Introduced by: Councilmembers Ramos, Bullock, Middleton, Burnett, Porter, Cohen

Introduced and read first time: July 17, 2023

Assigned to: Public Safety and Government Operations Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, City Administrator, Department of Public Works, Mayor's Office of Government Relations, Office of Equity and Civil Rights

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – Regional Water Governance Task Force**

3 FOR the purpose of inviting representatives from the Office of the City Administrator, the
4 Director of the Department of Public Works, the Mayor's Office of Government Relations,
5 the Office of Equity and Civil Rights, and any other relevant agencies to report on the topics
6 outlined in this Resolution and provide additional information as needed by the Committee.

7 Baltimore City's water is among the best water in the country. In the 2022 Water Quality
8 Report, Baltimore City's water contaminants are below the United States Environmental
9 Protection Agency's standard, which is excellent. Baltimore's water and sewer system was
10 ahead of its time when developed over 100 years ago. While the water and sewer infrastructure is
11 aging, the quality of Baltimore's water continues to be top notch.

12 Despite Baltimore's exceptional water quality, residents express dismay about the inequities
13 in the system, particularly around water billing. Baltimore residents pay much more than County
14 residents, although Baltimore County subsidizes the costs. There are still issues within the
15 system that need to be addressed.

16 The Baltimore Regional Water Governance Task Force ("Task Force") was created by Senate
17 Bill 880/House Bill 843 of the 2023 Maryland General Assembly. The purpose of the Task
18 Force is to review the relationship between Baltimore City and Baltimore County and other
19 nearby counties, relative to water and sewer services and operations.

20 The Baltimore Regional Water Governance Task Force is a welcome initiative to address the
21 inequities and continue to strengthen the overall system to continue our history of high quality
22 water and improve sewer treatment to protect the Chesapeake Bay.

23 The Task Force is charged with evaluating the recommendations outlined in the 2021
24 Water/Sewer Services Comprehensive Business Process Review study and other governance
25 models to see how they might apply to maintenance, billing, capital improvements, rate stability,
26 services delivery, and more to the 1.8 million residents served by Baltimore City water.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 23-0182R

1 The Mayor of Baltimore will make 5 appointments to the Task Force, and work with Baltimore
2 County to staff the Task Force. The Task Force must publish its findings in January of 2024, and
3 prepare any legislation it proposes to implement its findings.

4 There remain several outstanding questions regarding the work of the Regional Water Task
5 Force that the City Council would like to discuss with agency officials. During the hearing, the
6 City Council would like to be briefed on the following:

- 7 • an outline of the recommendations in the 2021 Water/Sever Services Comprehensive
8 Business Process Review study;
- 9 • a list of the individuals who will be appointed to the Task Force by the Mayor of
10 Baltimore City;
- 11 • an outline of the process the Task Force will be taking to create and assess various
12 recommendations, including, but not limited to:
 - 13 • how the Task Force will allow the public to provide input on challenges with
14 the current systems;
 - 15 • how the Task Force will allow the public to provide input on the Task Force's
16 draft recommendations;
 - 17 • an equity assessment to inform the recommendations as they are developed
18 and a future equity assessment on the Task Force's draft recommendations;
 - 19 • an economic assessment on the impact of the recommendations;
 - 20 • an assessment of the impact on workers and jobs for City employees;
 - 21 • an analysis of how the recommendations will preserve the Baltimore City's
22 control of the water system;
 - 23 • a timeline for a report draft and public comment period; and
 - 24 • any other relevant information the Committee may need.

25 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the City
26 Council representatives from the Office of the City Administrator, the Director of the
27 Department of Public Works, the Mayor's Office of Government Relations, the Office of Equity
28 and Civil Rights, and any other relevant agencies to report on the topics outlined in this
29 Resolution and provide additional information as needed by the Committee.

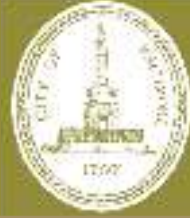
30 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the City
31 Administrator, the Director of the Department of Public Works, the Interim Director of the
32 Mayor's Office of Government Relations, the Chief Equity Officer and Director of the Office of
33 Equity and Civil Rights, and the Mayor's Legislative Liaison to the City Council.

**PUBLIC SAFETY AND
GOVERNMENT OPERATIONS
COMMITTEE**

**23-0182R
AGENCY REPORTS**

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



OFFICE OF THE CITY ADMINISTRATOR

Faith P. Leach
City Administrator
100 N. Holliday Street
Baltimore, Maryland 21202
410 – 396 - 3835

TO: Public Safety and Government Operations Committee

FROM: City Administrator Faith P. Leach

DATE: September 25, 2023

SUBJECT: CAO Report | City Council Resolution 23-0182R –
Informational Hearing – Regional Water Governance Task Force

The Office of the City Administrator is pleased to have the opportunity to review the City Council Resolution 23-0182R, entitled “Informational Hearing – Regional Water Governance Task Force.” Our office believes there is a strong rationale for comprehensive review of the existing governance of the water utility asset.

The established resolution is set for the purpose 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 this resolution and provide additional information as needed by the Committee. The Office of the City Administrator supports good governance, process improvements, service level enhancements, increased efficiencies and modernization of systems across the City enterprise. We believe that it is important to involve various actors and interests in the decision-making process for water resource management, policy, and governance. A strategic body engaging in coherent discussion pertaining to the water utility that results in recommendations for modern, effective, efficient, and inclusive governance will meet with this objective.

Earlier this year, the General Assembly enactment the House Bill 843 and Senate Bill - which established a Baltimore Regional Water Governance Task Force to review specified findings, assess alternative governance structures for the Baltimore region’s water and wastewater utility, analyze the fiscal implications and efficiencies of each alternative governance structure, and make a recommendation regarding the governance model best suited for water and wastewater systems in the Baltimore region, as well as the legislation and funding necessary to establish the recommended model. The passing of this legislation and subsequent creation of the Task Force is reflective of the joint recognition by the senior executives of Baltimore City and Baltimore County of the long-standing need to modernize this government service by advancing a key recommendation - to convene a stakeholder advisory group to explore regional options - from the previously published and collaboratively led NewGen study. The Task Force, therefore, is a demonstration of our commitment to a water governance structure that is transparent and accountable to all ratepayers and stakeholders across the region.

The Office of the City Administrator has **no objection** to City Council Resolution 23-0182R and views the Department of Public Work’s agency report and other supporting City agency reports favorably.

CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



DEPARTMENT OF LAW
EBONY M. THOMPSON, ACTING SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

August 3, 2023

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 23-0182R – Informational Hearing – Regional Water
Governance Task Force

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 23-0182R for form and legal sufficiency. This resolution calls on representatives from various agencies to appear before City Council to discuss a regional water governance task force.

A resolution is an appropriate way for the City Council of Baltimore to express its views on a particular matter. *See, e.g., Inlet Assocs. v. Assateague House Condominium*, 313 Md. 413, 428 (1988). Therefore, the Law Department approves this Resolution for form and legal sufficiency.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Hilary Ruley".

Hilary Ruley
Chief Solicitor

cc: Ebony M. Thompson, Acting City Solicitor
Nina Themelis, Mayor's Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Jeffery Hochstetler, Chief Solicitor
Teresa Cummings, Assistant Solicitor
Michelle Toth, Assistant Solicitor



MEMORANDUM

To: The Honorable President and Members of the City Council
c/o Natawna Austin, Executive Secretary

From: Christine Griffin, Deputy Director of Policy and Government Relations

Date: September 25, 2023

Re: 23-0182R Informational Hearing – Regional Water Governance Task Force

The Baltimore Regional Water Task Force (“Task Force”) was created by Senate Bill 880/House Bill 843 of the 2023 Maryland General Assembly. The purpose of the Task Force is to review the relationship between Baltimore City and Baltimore County and other nearby counties, relative to water and sewer services and operations.

The Task Force is charged with a very specific list of responsibilities as laid out in the legislation. The Task Force must review and evaluate the recommendations outlined in the 2021 Water/Sewer Services Comprehensive Business Process Review study (NewGen Report), as well as assess other governance models, to see how potential changes would impact the management structure of operations, recruitment, training and retention of employees, billing and collections, capital improvements, emergency management, and rate stability to the 1.8 million residents served by Baltimore City water.

In addition, the Task Force must analyze the fiscal implications and efficiencies of each alternative governance structure, including estimated short- and long-term costs, 10-year historical costs that each jurisdiction has paid to the utility, and cost-savings. The Task Force must then issue a final report to the Mayor of Baltimore City, the County Executive of Baltimore County, the Governor of Maryland, and the Maryland General Assembly, no later than January 30, 2024, recommending the governance model best suited for water and wastewater systems in the Baltimore region and the necessary funding to establish the recommended model.

Jointly commissioned by Baltimore City and Baltimore County, the NewGen Report under review was conducted by independent, national firm NewGen Strategies and Solutions and performed a comprehensive review of the shared water system’s existing governance structure, operations, and procedures. The NewGen report identified several challenges, including consistent issues with customer billing, limited regional coordination, and systematic limitations for long-term planning and improvements. The report concluded that the jurisdictions should convene a diverse stakeholder group to explore additional regional solutions, including potential alternative governance structures. SB 880/HB 843 was enacted by the Maryland General Assembly to create this group of stakeholders.

The 13-member coalition is a diverse group of experts, local stakeholders, and community leaders from across Baltimore City, Baltimore County, and the State of Maryland who are committed to addressing the pressing water-related challenges in the region and offer sustainable solutions.

The Task Force consists of the following members whose appointments were announced on July 20, 2023:

- Five members named by Baltimore City Mayor Brandon M. Scott:
 - o Baltimore City Comptroller Bill Henry—serving as Task Force Chair
 - o Lester Davis, Vice President, Chief of Staff of CareFirst BlueCross BlueShield
 - o Jason Mitchell, Former Director, Baltimore City Department of Public Works
 - o Patrick Moran, President, AFSCME Council 3
 - o Kishia L. Powell, General Manager/CEO, Washington Suburban Sanitary Commission (WSSC) Water

- Three members named by Baltimore County Executive Johnny Olszewski:
 - o Lauren Buckler, P.E., CEM, LEED AP, Deputy Director, Baltimore County Department of Public Works & Transportation
 - o Carla A. Reid, former General Manager, Washington Suburban Sanitary Commission (WSSC) Water
 - o Robert M. Summers, Ph.D, former Maryland Secretary of the Environment

- Two members named by Governor Wes Moore:
 - o Timothy Barr, Managing Director, Water/Wastewater, Maryland Environmental Service
 - o Jessica Medicus, Environmental Manager, Bay Associates Environmental, Inc.

- One member of the State Senate named by Senate President Bill Ferguson:
 - o Senator Cory McCray, District 45, Deputy Majority Whip

- One member of the House of Delegates named by Speaker of the House Adrienne Jones:
 - o Delegate Dana Stein, District 11B, Vice-Chair, Environment and Transportation Committee

- One member named by the Chair of the Baltimore Metropolitan Council:
 - o Yosef Kebede, Director, Howard County Department of Public Works

- And as mandated by SB 880/HB 843, the Mayor of Baltimore City and the County Executive of Baltimore have provided staff for the Task Force. The following staff members are responsible for coordinating and running all Task Force meetings, updating the Task Force website, and managing all communication with the public:
 - o Bukola Rashedat (B.R.) Hammed-Owens, Senior Advisor, Office of Special Projects, Baltimore City Department of Public Works
 - o Sameer Sidh, Senior Deputy Administrative Officer, Economic Development and Infrastructure, Baltimore County

The Comptroller, shortly after being appointed to Chair the Task Force, began meeting weekly with Richard Luna, Interim Director of Baltimore City Department of Public Works (DPW), for a review of the NewGen Report and strategic planning for Task Force meetings. **Given that we are aware that DPW will be providing a detailed review of the NewGen Report, strategy for Task Force meetings, and a timeline to the committee, we will not duplicate that information in this report.**

Also prior to the first meeting of the Task Force, the Comptroller reached out to each member of the Task Force and those responsible for appointing Task Force members. He also met with a coalition of advocates that have raised concerns about SB 880/HB 843. In each of these meetings, the Comptroller made it clear that “our water utility system is not for sale” and that “we will not be making any recommendations that involve Baltimore City giving up legal ownership of the water, wastewater, and stormwater system”. This sentiment was shared by Task Force members, as well as reiterated by the Mayor and County Executive in an opinion piece for the Baltimore Sun published September 12, 2023.

While SB 880/HB 843 made no specific reference to a public comment period, the Comptroller has been adamant since his appointment, that transparency and public engagement will be a high priority throughout the duration of the work of the Task Force. All meetings of the Task Force are livestreamed on YouTube and the public is encouraged to email comments, questions, or testimony to a dedicated email account. All testimony and email correspondence are being regularly collected and shared with Task Force members. For those that attend Task Force meetings, the final hour of each meeting has been reserved for public input. Any questions that cannot be immediately answered at a public meeting, will be researched, and answered online after the meeting. The public is also able to track all Task Force activities, meeting minutes, and votes on City and County websites.

Advocates have requested that the Task Force conduct racial and economic equity assessments of any governance model being considered, as there is no such statement in SB 880/HB 843 requiring this. The Comptroller is fully aware of the concerns raised by advocates that the Task Force will not fully study how changing the governance of the water system could affect Black residents of Baltimore City, water affordability for residents, and the city of Baltimore’s finances. And although he cannot guarantee that there will be an equity component to the final Task Force recommendations, because the recommendations have not been discussed yet or agreed upon, he has guaranteed that equity will be a part of the Task Force discussions.

It is important to keep in mind as we do this important work, that the Task Force has been mandated to follow very specific tasks in a very short period under SB 880/HB 843. And the Task Force is limited to the constraints of a bill that was passed by the Maryland General Assembly without any input from 11 members on the Task Force. Task Force members did not choose who would serve on the committee, Task Force members did not choose to leave out an equity assessment in the legislation, and Task Force members did not choose to have to complete this work in less than six months.

None-the-less, the Task Force is acutely aware of the critical work they are undertaking, and all are committed to the hard work of reimagining our regional water and wastewater systems in a way that serves ALL ratepayers and stakeholders in the region. The Comptroller is committed to coming up with a governance structure that is more transparent, more accountable, and better run on a day-to-day basis.

City Council members and the public are encouraged to share testimony and/or send questions to the Task Force. Below is the schedule for all the Task Force meetings, links to the Task Force websites, the link to the Livestream for all meetings, and email addresses for sending testimony, comments, and questions.

- **Task Force Meeting #1: Existing Organization & Agreements**
 - September 13, 2023 – 6PM – 9PM
 - Randallstown Community Center
 - 3505 Resource Drive, Randallstown, MD 21133
- **Task Force Meeting #2: Governance Models**
 - October 4, 2023 – 6PM – 9PM
 - Middle Branch Wellness Center
 - 201 Reedbird Avenue, Baltimore, MD 21225
- **Task Force Meeting #3: Governance Models & Preliminary Fiscal Analysis**
 - October 18, 2023 – 6PM – 9PM
 - CCBC Essex Campus
 - 7201 Rossville Boulevard, Baltimore, MD 21237
- **Task Force Meeting #4: Final Fiscal Analysis**
 - November 1, 2023 – 6PM – 9PM
 - Mount Pleasant Community Church
 - 6000 Radecke Avenue, Baltimore, MD 21206
- **Task Force Meeting #5: Summary & Recommendation**
 - November 16, 2024 - Virtual/Online
- **Task Force Meeting #6: Final Recommendation Report**
 - January 25, 2024 - Virtual/Online
- **City of Baltimore Website:** [Baltimore Regional Water Governance Task Force | Mayor Brandon M. Scott \(baltimorecity.gov\)](#)
 - **City of Baltimore Email:** WaterGovernance@baltimorecity.gov
- **Baltimore County Website:** [Baltimore Regional Water Governance Task Force - Baltimore County \(baltimorecountymd.gov\)](#)
 - **Baltimore County Email:** WaterGovernance@baltimorecountymd.gov
- **Livestream:**
[BRWGT YouTube Channel](#)

CC:

Celeste Amato, Chief of Staff, Comptroller’s Office
 KC Kelleher, Director of Communications and Policy, Comptroller’s Office
 Nina Themelis, Mayor’s Office

**PUBLIC SAFETY AND
GOVERNMENT OPERATIONS
COMMITTEE**

**23-0182R
ADDITIONAL DOCUMENTS**



WATER/SEWER SERVICES COMPREHENSIVE BUSINESS PROCESS REVIEW

Baltimore County and Baltimore City



PREPARED BY:



IN ASSOCIATION WITH:



EXECUTIVE SUMMARY

BACKGROUND

Baltimore City provides water and wastewater services to approximately 1.8 million people in Baltimore City, Baltimore County and portions of Anne Arundel, Carroll, Howard and Harford Counties. The system's service area of 220 square miles encompasses the entirety of Baltimore City and 140 square miles outside of the City's limits. The water system produces approximately 72.1 billion gallons of treated water annually. The City's two regional wastewater treatment facilities have the capacity to treat up to 250 million gallons of wastewater per day.

The water system provides potable water to City and County customers at retail rates and to Howard and Anne Arundel Counties on a wholesale basis. Harford and Carroll have agreements to purchase raw water from Baltimore City.

Since the passage of the Metropolitan District Act in 1924 (which obligated Baltimore City to provide water to certain areas of Baltimore County) and subsequent adoption of inter-jurisdictional agreements in the early 1970s, a complex relationship has evolved between the two jurisdictions. This relationship involves the planning, management, maintenance and funding of the shared facilities that make up the regional water and wastewater systems.

Leaders from Baltimore City and Baltimore County (the "Leadership Team") have developed a shared vision of creating the "Utility of the Future." To achieve this vision, the City and County desire to enhance the intergovernmental coordination and business processes and policies required to efficiently, effectively and sustainably provide customers with high-quality water and sewerage services.

As a first step toward achieving that vision, the City and County have jointly undertaken this comprehensive business process review. The review identifies the strengths and weaknesses of the current governance framework of the utilities. It also identifies potential opportunities to improve how the two jurisdictions work together to provide high-quality, affordable water and wastewater services.

The Leadership Team desires to understand the current state of the structures and processes involved with coordinating the delivery of water and wastewater services between the City and County. In light of these findings and observations, the Team would like the areas requiring further assessment and initiatives to enhance the overall system's efficiency and effectiveness identified.

The comprehensive business process review of the City/County water and wastewater system was organized into the following tasks:

- Task 1 – Evaluate City-County Existing Service Agreements for Water/Sewer Services
- Task 2 – Review the City and County Organizational Structure and Governance Models
- Task 3 – Review Staffing
- Task 4 – Evaluate Water and Sewer System Planning and Management
- Task 5 – Assess Meter to Cash Operations
- Task 6 – Review Field Operation

Per the project requirements, our review results in each of these functional task areas were documented in a series of standalone task reports and transmitted to the City and County under separate cover.

This executive summary presents a high-level overview of key findings and observations identified in all six task reports and summary conclusions and recommended next steps.

PROJECT APPROACH

Our proposed approach to this business process review study consisted of four phases encompassing the programs and functional areas included in the project scope.

- **Phase I – Preliminary Investigations:** The project team makes initial contact and performs investigations to obtain a general understanding of how the organizations are structured, how they operate and how well they perform, as evidenced by operating and financial records.
- **Phase II – On-Site Investigations:** The project team performs on-site investigations of the organizations' management and the daily operation and support functions associated with their operations. Internal and external drivers are identified.
- **Phase III – Functional Evaluations:** The project team performs an assessment and evaluation of each of the management, support and operational functions of the organizations, identifying potential problem areas within the various functions.
- **Phase IV – Report Preparation:** The project team prepares an analysis report summarizing the findings of the functional evaluation.

Due to the ongoing impacts of COVID-19 (which limited the project team's ability to interact in-person with City and County staff, review information on-site and efficiently access documents and data), our project approach had to be substantially modified over the last several months. In place of in-person meetings, workshops and interviews with individual staff, we relied exclusively on a smaller number of virtual meetings conducted with multiple participants.

The project team submitted a substantial information request at the beginning of this project that consisted of historical documents and reports, much of which existed only as paper files in City and County offices. As most of the City and County staff that we relied on to respond to this information request were working remotely in the early phases of this project, their ability to search for, copy and transmit information electronically was greatly hampered. As a result, the data collection phases of this project took, in some cases, several months longer than anticipated.

As a result of these limitations and constraints, we relied heavily on the comments, insights, and perspectives gathered through staff interviews and surveys to fill in any gaps in data, reports and documentation. This is evident in cases where our findings and observations could not be independently confirmed with data analysis.

Finally, there have been several personnel changes since project initiation in April: the County Department of Public Works Director position, the City DPW Chief of Staff position, the City Utility Maintenance Chief position, the City Utility Billing Chief position and the City Meter Shop Chief position. The reader is cautioned that some findings and observations might not reflect current philosophies, processes or policies that have been changed as new people come on board.

SUMMARY OF KEY FINDINGS AND OBSERVATIONS

Based on the Leadership Team's goals and objectives for the project, we have organized the major findings from each of the six task reports into three groups:

- **Operational** – These are key findings and observations related to the discrete operational areas identified in Tasks 4, 5 and 6.

- **Organizational** – These are key findings and observations related to how each jurisdiction is organized to provide utility services in the City and County and how these organizations are managed and staffed. These are primarily findings and observations that were developed during Tasks 2 and 3.
- **Governance** – These are key findings and observations related to the span of control exercised by the City and County, how decision-making authority is assigned under the existing legal frameworks, how the jurisdictions communicate, collaborate, coordinate and cooperate across functional and geographic boundaries, and how the utility is governed.

OPERATIONAL FINDINGS AND OBSERVATIONS

Our reviews of core business processes related to system planning and management, meter to cash and field operations are captured in the Task 4, 5 and 6 reports. These reviews spanned 16 discrete operational areas and generated dozens of findings and observations. The most significant and consequential of these findings are summarized in the three exhibits below:

Exhibit E-1. System Planning and Management Findings

Program Element	Key Observations
Capital Programs	<ul style="list-style-type: none"> ▪ Both jurisdictions manage capital project delivery "competently." ▪ Each jurisdiction scored a 3 (Competent) out of 5 on a capital program management self-assessment survey. (1 = Basic, 3=Competent, 5=World Class). ▪ A lack of an effective joint planning capability is constraining capital program efficiency. ▪ The Water Analyzer Office is understaffed. ▪ City and County are not using metrics to evaluate program performance.
Water Loss Management	<ul style="list-style-type: none"> ▪ Water loss ranged from 16% to over 35% between 2010 and 2019. ▪ The City conducts regular water audits following industry-standard methods and practices. ▪ The program has no long-term water loss reduction plan. ▪ There is no clear delineation of City and County roles and responsibilities related to water loss management efforts.
Drought Response Planning	<ul style="list-style-type: none"> ▪ No drought response plan has been developed. ▪ There is little understanding within each organization of roles and responsibilities during a drought. ▪ There is a decision-making framework for actions that should be taken before, during and after the declaration of a drought. ▪ There is a plan for coordinating drought management activities between jurisdictions.
Safety Programs and Risk Mitigation Planning	<ul style="list-style-type: none"> ▪ Baltimore City has an effective safety program. ▪ Additional leadership/professional resources and organizational streamlining would aid program effectiveness. ▪ The program would benefit from implementing more transparent safety policies/procedures and providing training on best practices. ▪ The County's Safety Office is simultaneously accountable to three separate County departments. ▪ Neither jurisdiction was able to demonstrate that they use data to review overall safety trends or assess performance. ▪ There is little oversight and coordination on safety issues for workers operating across jurisdictional boundaries.
Source Water Protection and Land Use Management Planning	<ul style="list-style-type: none"> ▪ The current framework for source water protection is consistent with industry standards and best practices, but it is ten years old and should be updated. ▪ The City and County need to improve coordination on management of the deer population and recreational use in reservoir areas.

Exhibit E-1. System Planning and Management Findings

Program Element	Key Observations
Performance Management and Continuous Improvement	<ul style="list-style-type: none"> ▪ The County maintains a robust and multifaceted source water protection program integrated with its watershed protection and restoration strategy. ▪ Current land-use policies are in place that support source water protection goals. ▪ City DPW maintains the semblance of a performance management program through its Office of Strategy and Performance. ▪ DPW's program is not linked to an up-to-date strategic plan. ▪ DPW's program does not maintain a robust set of performance measures or a structured reporting process. ▪ DPW's program does not regularly review performance to establish goals and targets. ▪ The County's framework for performance management and continuous improvement is outlined in the County's new strategic plan, but the plan only peripherally impacts water and sewer operations. ▪ Neither jurisdiction's water and sewer operations can be considered "performance-driven" since they cannot document that they maintain formal programs to track and monitor performance or actively support continuous improvement through programs or processes.
Inter-jurisdictional Communication	<ul style="list-style-type: none"> ▪ The City and County have no formal communications procedures for any of the core functions included in this business process review. ▪ With few exceptions, most senior staff who were interviewed during the functional review part of this study indicated that they did not maintain any form of an ongoing relationship with their counterparts, did not have regular coordination meetings and did not have a clear understanding of when and how issues or concerns should be escalated. ▪ Communications on inter-jurisdictional issues primarily take place at the Director level. ▪ Except for meetings and discussions between the City and County about the annual water and sewer settlements, regular coordination meetings are not taking place at the Bureau or Division level. ▪ There are no standing inter-jurisdictional task forces, workgroups or committees that have been formed around any other functions.
Information Technology (IT) Systems Review and Disaster Recovery	<ul style="list-style-type: none"> ▪ City IT staff verbally confirmed the existence of disaster recovery procedures for critical systems but did not provide written documentation of any plans or policies. ▪ Staff believes that the Legacy billing system is viable over the short term, but an eventual migration of all customers to the new UMAX billing system is expected. ▪ There is no clear dissemination of IT oversight and management responsibilities between CSSD, DPW's IT Office and Baltimore City's IT Department. ▪ There was a lack of planning and coordination between the City and County during the development and rollout of the UMAX system. ▪ The City and County's GIS systems are not integrated, so City maintenance staff do not have access to County utility GIS data. ▪ County Bureau of Utilities staff does not have access to the City's Cityworks work order system.
Sewer Capacity Planning	<ul style="list-style-type: none"> ▪ There is consensus that the 1974 Sewer Agreement needs to be updated. ▪ There is no documentation of Baltimore County's allocation of capacity at the Back River WWTP. ▪ Re-establishing the Wastewater Analyzer Office would improve how the City and County communicate and coordinate on sewer capacity planning issues.

Exhibit E-2. Meter to Cash Findings

Program Element	Key Observations
Metering & Billing Operations	<ul style="list-style-type: none"> ▪ The City is operating two different meter to cash processes at the same time. ▪ SOPs have been established for all facets of the customer metering and billing process, but adherence to SOPs is not documented. ▪ The 2019 ransomware attack and 2020 pandemic resulted in major interruptions to customer billing functions. ▪ There are large backlogs of work orders and unresolved repairs to water meters. ▪ The City lacks an effective QA/QC process to ensure that accurate bills are issued regularly. ▪ Billing adjustments and customer account changes are not being documented consistently and in a manner that adequately supports the County's sewer billing processes. ▪ There has been a dramatic increase in delinquent accounts since 2017.
County Revenue Collection & Annual Reconciliation	<ul style="list-style-type: none"> ▪ Unresolved disputes date back to Fiscal Year 2014. ▪ There have been large, unexplained changes in billed revenue and allocated costs over the past six fiscal years. ▪ Deficiencies and issues identified in past audits and reviews have not been fixed. ▪ Little expertise and institutional knowledge remain in either organization regarding the legal and technical requirements of the annual water settlement process. ▪ There are known issues and problems with the current Cost Allocation Model. ▪ There is no structured QA/QC element in the financial settlement process.
City-County Data Transfer	<ul style="list-style-type: none"> ▪ The County's sewer billing process is dependent on inputs from the City's outdated, unsupported legacy billing system. ▪ There is no continuity of operations plan to ensure the data transfer process can recover from unforeseen disruptions. ▪ The timing of data transfers and critical reviews is not aligned with the County's sewer billing schedule. ▪ The City's approach to water bill adjustments is inconsistent with the County's sewer bill dispute resolution process. ▪ There is no QA/QC process in place to ensure that accurate billing data is being transmitted. ▪ There are no performance standards in place for the data transfer process.
Customer Service Performance	<ul style="list-style-type: none"> ▪ There is a significant backlog of unresolved County escalations. ▪ Water bill adjustments are being poorly documented. ▪ There are breakdowns in communication between CSSD and Metro Billing. ▪ There is no documentation that customer service-related SOPs are being followed. ▪ Past reviews and audit findings have not been addressed. ▪ Neither organization is measuring customer service performance or customer satisfaction.
County Sewer Billing & Meter Applications Permitting	<ul style="list-style-type: none"> ▪ The current meter application process is reliant on the transmittal of paper applications and forms. ▪ The current process is overly complicated and is not being managed by a single entity. ▪ The meter installation process lacks a robust post-installation inspection and certification element. ▪ There are no documented SOPs.

Exhibit E-3. Field Operations Findings

Program Element	Key Observations
City/County Field Operations Coordination	<ul style="list-style-type: none"> ▪ There are no quantitative or qualitative service level measures between the City and County on field operations. ▪ There are no target performance measures for work that is performed in the County by City maintenance forces. ▪ There is a duplicate investigation process in place but no coordinated information-sharing mechanism. ▪ Both the City and County's utility maintenance operations are overly reactive. ▪ There are no standard operating procedures to address coordination of restoration work, notification of work order status and customer communications. ▪ Work crews are unaware of ongoing work within an area by the other jurisdiction. ▪ City utility crews cannot access County utility data in GIS. ▪ City utility maintenance is not notified when County contractors are performing water utility work. ▪ City work order documentation is often deficient and cannot be relied on to support sewer billing adjustments.
Customer Complaint Resolution	<ul style="list-style-type: none"> ▪ County customers have to call multiple phone numbers, depending on what problem they are trying to address. The number listed for water meter issues is the City Hall operator. ▪ The complaint resolution process does not emphasize resolving issues on the "first call," which is an industry best practice. ▪ Customer complaint resolution performance metrics are not being tracked. ▪ There are no performance targets for work performed by City crews in the County. ▪ County Bureau of Utilities personnel do not have access to the City's Salesforce customer complaint system or the Cityworks work order system, so they cannot investigate County customer's complaint status. ▪ Neither jurisdiction conducts surveys of customer satisfaction with service call response.

ORGANIZATIONAL FINDINGS AND OBSERVATIONS

In our review of the City and County departments, bureaus, and divisions responsible for the operation and management of the regional water and sewer systems, we found that both jurisdictions have done a commendable job of effectively communicating objectives and priorities to their employees. City and County supervisors are generally satisfied with their jobs, and most believe that their job specifications are accurate. It was also apparent that the City and County have done a commendable job of maintaining critical services under the extraordinary challenges that both Departments of Public Works have had to face through the COVID-19 pandemic.

However, both organizations face several significant constraints that will impede their collective ability to operate the utility efficiently and effectively now and into the future. These constraints include:

- **Higher than average vacancy rates** – The vacancy rates for DPW employees (18% in the City and 12% in the County) are worse than industry averages and support the need for effective workforce succession planning.
- **High turnover rates in key positions** – The City has experienced a high turnover rate in several critical operational positions, including the Chief of the Customer Services & Support Division, the Chief of Engineering and Construction, Chief of Asset Management and Chief of Utility Services.
- **Changes in senior leadership** – Both the City and County are searching for a permanent Director of Public Works position. The lack of a permanent position has led to some critical decisions being postponed. Several senior managers in both organizations are in an acting capacity.

- **Lack of an effective succession planning effort** – There is a lack of succession planning, with several employees eligible to retire within the next five years. The knowledge capture process is lacking, with little documentation of standard operating procedures. An over-reliance on contractors and consultants for essential water and wastewater functions has diminished the knowledge maintained in-house.
- **Starting and top salaries for several positions are not competitive with surrounding utilities and private firms** – The salary survey data indicates that both City and County starting and top salaries for many technical classifications (such as utilities supervisors and engineers) are significantly below surrounding counties and other regional utilities, such as WSSC.

We challenged City and County managers to provide feedback on how they thought many of these organizational constraints could be addressed. Their responses to our survey questions provided many useful insights about improvements to current utility-related business processes in the City and County, including:

- Improved internal and external communication
- A clearer definition of roles and responsibilities
- Independence from politics
- Better technology and software
- A strong, long-term vision unaffected by transitions in administrations
- "Servant leadership" in which managers and leaders need to focus on serving their teams
- Modification as to how the HR, procurement and training support functions work with operations staff
- Increased staffing and opportunities for employees to grow in their careers
- Facilitated strategic planning sessions at the department level
- Adjustments to salaries to make them competitive with that of other utilities and private firms

We identified several opportunities to align the City and County's current organizational structures with a best practice utility organization. The most significant and far-reaching opportunities are summarized in the exhibit below.

Exhibit E-4. Opportunities to Strengthen the Existing Organizational Structure

Characteristic	Best Practice Alignment
Staffing	Staffing goals should be established and regularly tracked and reviewed by both operations and senior management. Data measured and reported should include vacancies, employee retention, job satisfaction, workforce succession preparedness, training hours, etc.
Succession Planning	A three to five year succession plan should be created for critical operations and management staff to prepare future leaders to seamlessly assume key leadership positions. The process should include internal and external education, training and the opportunity to learn in various areas of responsibility. The plan should be reviewed on a semi-annual basis and modified as necessary.
Knowledge Capture	A formal knowledge capture process should be implemented to capture the experience and expertise of employees retiring or otherwise leaving the organization. The process should be applied to water and wastewater operations, utility finance, billing, safety and other related functions. Knowledge captured should be incorporated into centrally managed standard operating procedures. Key retired staff should be interviewed to add their experience and expertise to the SOPs or procedures.
Salary Study	An independent study of salaries for key water and wastewater employees should be performed. The study should analyze data from utilities across the nation along with national databases. Action should be taken to establish competitive salaries, and the results of the study should be presented to employees.

Exhibit E-4. Opportunities to Strengthen the Existing Organizational Structure

Characteristic	Best Practice Alignment
Strategic Planning	Management should continue to ensure that employees at all levels of the organization understand their role in achieving its mission and strategic goals. Strategic plans should be kept up to date, and steps should be taken to achieve the goals outlined.
Communications	Top management should establish an open, collaborative culture and blend the organization into a single, cohesive team focused on common objectives. Team building activities should be commissioned for teams that must work together to ensure high performance. The top organizational executives should issue timely communications to employees on the current state of affairs, new initiatives and positively encourage the workforce to better serve their customers. Holding small group meetings and periodic worksite visits should also be utilized to connect with the employees who work diligently to serve citizens' best interests.

GOVERNANCE FINDINGS AND OBSERVATIONS

Under the current governance framework, the City is responsible for the operation and maintenance of the water distribution system and related assets (pumps, storage, etc.) for both the City and the Metropolitan District, all water filtration facilities, the wastewater conveyance systems within the City and all wastewater treatment plants. The City is also responsible for billing and customer service for all water customers in the City and County. Water and wastewater rates, fees and charges for City customers are set by the City's Board of Estimates.

Baltimore County is responsible for the planning, design and construction of new water facilities that solely benefit County customers and the operation and maintenance of the County's wastewater conveyance system, including sewage pumping stations. The County is responsible for billing and customer service related to wastewater service for County residents. Water and wastewater rates, fees and charges for County customers are set by the County Executive.

These areas of functional responsibility are shown in the following exhibit.

Exhibit E-5. Current Water and Wastewater City/County Governance by Function

Service	Major Function	Responsibility
Water	Rate Setting	County establishes, City implements
	Customer Billing	County for its Water Distribution Charge, City for other rates
	Raw Water Supply & Treatment	City
	System Maintenance & Operation	City
	Development Approval	Handled independently by each jurisdiction
	Water Facility Master Planning	Handled jointly through Water Analyzer Office
Wastewater	CIP - Planning & Implementation	County for projects serving County customers, City for others
	Rate Setting	Set independently by each jurisdiction
	Customer Billing	Handled independently by each jurisdiction
	Wastewater Treatment	City
	System Maintenance & Operation	Handled independently by each jurisdiction
	Development Approval	Handled independently by each jurisdiction
	Wastewater Facility Master Planning	Handled independently by each jurisdiction
	CIP - Planning & Implementation	Handled independently by each jurisdiction

The City-centric governance framework established over 75 years ago gives the City's Director of Public Works exclusive authority to make decisions on almost every aspect of the water system, including billing and metering policies and procedures, budget and resource allocation, personnel hiring and terminations, organization structure, strategic priorities, management of the reservoirs and capital priorities.

Under the current governance framework, the City and the Director of Public Works are not accountable for County customer service delivery, system reliability or operational efficiency, even though Baltimore County has more than half of the system's customer accounts and is responsible for all demand growth.

As a result of the comprehensive review that examined all of the core business processes used by the City and County to operate and maintain the regional water and sewer systems, we have identified six significant shortcomings in the current governance structure:

1. The current governance framework has been ineffective in resolving long-standing disputes over customer billing issues and annual water reconciliation.
2. The current governance framework does not support a culture of continuous improvement and accountability regarding customer service delivery, system reliability and maintenance responsiveness.
3. The current structure does not support effective inter-jurisdictional communications across all levels of the two organizations. As a result, there is no evidence that true collaboration and cooperation occur between the City and County on essential matters such as strategic planning, long-range planning, capacity management, emergency response, regulatory compliance, service interruptions, service changes, safety issues or other emerging areas of concern.
4. The current governance structure does not support the high level of coordination needed to project, plan and execute system improvements to meet growing demand in Baltimore County and other jurisdictions. Although the current framework identifies a joint planning office to be staffed by City and County personnel for this purpose, there is no requirement for either jurisdiction to provide resources to ensure that this function is performed effectively and efficiently.
5. There is no oversight process defined in statute or agreement to ensure that the Director of Public Works' policies, procedures or decisions are in the best interest of both City and County customers. Many decisions made by the City's Director of Public Works have far-reaching implications for Baltimore County customers. These decisions often receive approval through the City Board of Estimates or oversight by the Baltimore City Council, but there is no mechanism for review by County elected officials.
6. The current governance structure has no requirement or mechanism to conduct strategic planning across jurisdictional boundaries. This means that planning functions within the utility are not aligned with the City or County's strategic goals and priorities.

THE PATH TO WORLD CLASS

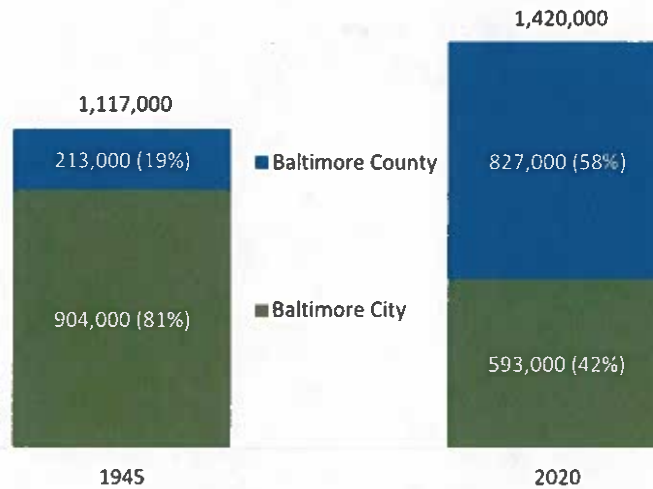
We have identified numerous opportunities to improve many of the City and County's core business processes to operate and manage the regional water and sewer systems. Each of the six task section details findings and observations that characterize the gap between the current City-County approach and a best-practice approach that might be used by a "world-class" utility.

While many of the issues and deficiencies that we have outlined in this report could be addressed by improving how the two jurisdictions cooperate, collaborate, coordinate and communicate, there are several structural shortcomings with the current form of utility governance that cannot be easily changed.

As the City and County's leadership consider how to best achieve their shared vision of a "Utility of the Future, some consideration of alternative governance structures may be necessary.

The current governance structure was adopted when Baltimore City was the State's primary center of industry and commerce and the most populous jurisdiction in Maryland. When the Acts of 1945 were adopted, Baltimore County had less than a quarter of the City's population and was largely undeveloped. No one could have anticipated the demographic shifts that would occur over the following 75 years. A new evaluation of City and County roles and responsibilities in the utility is long overdue.

Exhibit E-6. Change in City and County Population



To assist the Leadership Team in its consideration of potential next steps and options, we have developed detailed case studies for five utilities that have evolved from similar discussions about the need for a change in governance. These examples are summarized in the exhibit below.

Exhibit E-7. Governance Model Examples

Example	Organization Type	Governance Structure
Cape Fear Public Utility Authority, NC	Water and wastewater authority	<ul style="list-style-type: none"> Board of Directors consisting of five members appointed by each the City of Wilmington and New Hanover County. Ten members nominate an eleventh member acceptable to both the City and County and confirmed by both governments. The directors serve three-year staggered terms without compensation. The Board elects a Chairman, a Vice-Chairman, a Treasurer and a Secretary from the ranks of Board members. The Board has the authority to set rates and fees without approval by either the City or County. The Authority has no taxing ability and must depend solely on rates and fees for its revenues. The Authority can issue revenue bonds that are not backed by the City or County.

Exhibit E-7. Governance Model Examples

Example	Organization Type	Governance Structure
Washington Suburban Sanitary Commission	Water and sewer commission established by State law	<ul style="list-style-type: none"> Montgomery County and Prince George's County each appoint three commissioners to serve three-year terms as a commissioner. The Commissioners nominate a chair and vice-chair to serve a one-year term. The Commissioners hire a General Manager/Chief Executive Officer. The Commission recommends rates and charges, which must be approved by each County through the budget approval process.
DC Water	Water and sewer authority with a significant number of diverse wholesale and retail customers	<ul style="list-style-type: none"> DC Water is governed by a Board of Directors consisting of 11 principal members and 11 alternate members. Six Board members are District residents, appointed by the Mayor with the advice and consent of the Council. No more than four may be District employees or officials. One shall be the Director of the District Department of the Environment or a cabinet-level officer, as determined by the Mayor. The Mayor appoints persons recommended by the other participating jurisdictions to the remaining five Board positions. Of the five non-District Board members appointed by the Mayor, one Board member shall be recommended by Fairfax County, two shall be recommended by Montgomery County, and two shall be recommended by Prince George's County. All board members participate in the decisions directly affecting the management of the joint-use facilities. The District of Columbia members participate in those matters that affect District ratepayers and in setting fees for various services. DC Water may only take action on policy matters after receiving a favorable vote of no less than six members of the Board of Directors.
City of Richmond and Henrico County, VA	Wholesale and retail customer relationship which evolved into the retail customer becoming an independent water supplier	<ul style="list-style-type: none"> Utilities are operated and managed as municipal departments. Operating and financial relationship is governed by terms of the wholesale purchase agreement.
Rivanna Water & Sewer Authority, VA	Regional water and sewer authority	<ul style="list-style-type: none"> Seven member Board of Directors consisting of Albemarle County Executive, Albemarle County Supervisor, City of Charlottesville City Manager, City of Charlottesville City Councilor, City of Charlottesville Director of Utilities, Albemarle County Service Authority Executive Director, Appointee of City and County.

In our experience, there are many benefits that Baltimore City and Baltimore County could realize by consolidating management of the water and sewer system into a single entity. These benefits include:

- Improved supply reliability through risk pooling
- Lowered unit cost through economies of scale

- Sustained access to low-cost financing
- Standardized high-quality water
- Reduced negative social and environmental impacts
- Regional investment in conservation and local supplies
- Enhances technical expertise for problem-solving
- Amplifies voice in policy matters

The consolidation process can be complex and challenging, and any significant change in the business relationship between the City and County will ultimately require legislative changes and negotiation of new inter-jurisdictional agreements. In advance of any significant decisions about the structure of the regional water and sewer system, several preliminary steps should be taken to support future discussions about regionalization. These include:

- Updates to water and sewer asset inventories in the City and County
- Developing an updated valuation of assets in each jurisdiction
- Convening a stakeholder advisory group to explore pros/cons of regional options with a broad range of stakeholders
- Estimating unfunded regulatory costs for the water and sewer systems
- A detailed assessment of the current financial position of each utility, including an evaluation of unfunded pensions and post-employment benefits
- An assessment and analysis of outstanding water and sewer bills

CLOSING STATEMENT

The Baltimore metropolitan region has been blessed with an abundant supply of fresh water, which supports life, commerce and industry. With the water supply comes a requirement for stewardship. Based on the findings and conclusions of this study, it appears that stakeholder groups are not satisfied with the current status and performance of the water and sewer systems serving the City and County. There is a range of regional coordination and integration options that could be pursued, ranging from simply revising existing law and agreements to creating a regional management agency that contracts with the County and City to perform certain functions to an independent regional agency without taxing powers that would be dependent solely on rates and fees for income, and which would be limited in the range of services it could provide. Based on the extensive data collected during this study, the range of alternatives should be examined by a stakeholder group representing a wide range of perspectives and interests. The group could recommend to elected officials the "best" coordination and integration model for regional water and wastewater services.

Chapter 178

(Senate Bill 880)

AN ACT concerning

Baltimore Regional Water Governance Task Force

FOR the purpose of establishing the Baltimore Regional Water Governance Task Force to study approaches to water and wastewater governance in the Baltimore region; and generally relating to water supply and wastewater treatment in the Baltimore region.

Preamble

WHEREAS, The General Assembly of Maryland granted general authority to Baltimore City to develop a water supply system within and outside of its borders, impound and withdraw water from the Gunpowder River, the Patapsco River, and the Little Gunpowder River, and withdraw water from the Susquehanna River; and

WHEREAS, The water supply system developed by Baltimore City has supported the development and expansion of adjacent regional counties; and

WHEREAS, Chapter 539 of 1924 established a Metropolitan District within Baltimore County authorizing Baltimore County to construct, maintain, and operate wastewater systems within the Metropolitan District and required Baltimore City to extend the water supply lines within the Metropolitan District; and

WHEREAS, Chapter 729 of 1939 authorized Baltimore County to enter into contractual agreements with Baltimore City for the disposal of wastewater and for the establishment, construction, operation, and maintenance of and costs associated with the water supply and wastewater systems; and

WHEREAS, Baltimore County and Baltimore City entered into agreements in 1945 and 1963, and, most recently, in 1972 and 1974 recognizing that “substantial increases in population, volume of sewage, operation and maintenance costs, and costs of construction” for the jointly-used water and wastewater systems compelled updates to the jurisdiction management and funding of the systems; and

WHEREAS, In 1991, arbitration clarified that individuals who use water services within the Metropolitan District were customers of Baltimore City’s water system and were principals of Baltimore County in the provision of water services; and

WHEREAS, Due to regional population growth, Baltimore City’s water and wastewater system now provides water and wastewater service to additional jurisdictions, including Anne Arundel County, Carroll County, Harford County, and Howard County and now serves more than 1.8 million regional residents; and

WHEREAS, In accordance with Title 9, Subtitle 5 of the Environment Article, Baltimore City alone develops the plans for water supply and wastewater systems, including operations, maintenance, and capital investments, while Baltimore County pays their proportionate share of the costs; and

WHEREAS, Baltimore City and Baltimore County jointly engaged consultants to conduct a comprehensive business process review to identify strengths and weaknesses of the current governance, planning, data management, and operations of the water and wastewater utilities, to identify opportunities to improve interjurisdictional collaboration, and to understand the current state of the structures and processes for the delivery of water and wastewater services, including operations, planning, and billing, the results of which were finalized in July 2021 in the Water/Sewer Services Comprehensive Business Process Review; and

WHEREAS, The consultants provided several models of governance and operations that may provide optimal customer service, system reliability, or interjurisdictional collaboration, and specifically recommended the exploration of alternative governance structures; and

WHEREAS, The consultants highlighted the development, operations, and governance of several existing regional models for water and wastewater across the country; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

- (a) There is a Baltimore Regional Water Governance Task Force.
- (b) (1) The Task Force consists of the following members:
 - (i) one member of the Senate of Maryland, appointed by the President of the Senate;
 - (ii) one member of the House of Delegates, appointed by the Speaker of the House;
 - (iii) two members appointed by the Governor;
 - (iv) five members appointed by the Mayor of Baltimore City;
 - (v) three members appointed by the County Executive of Baltimore County; and

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

(2) Each member shall:

(i) have knowledge of:

1. water;
2. wastewater; or
3. financing of water or wastewater infrastructure; or

(ii) represent ratepayers in their respective jurisdictions.

(c) The Mayor of Baltimore City and the County Executive of Baltimore County shall jointly designate a chair of the Task Force.

(d) The Mayor of Baltimore City and the County Executive of Baltimore County shall jointly provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The Task Force shall strive for consensus among its members.

(2) An affirmative vote of 10 members is needed for the Task Force to act.

(g) The Task Force shall:

(1) review the findings under Task 2 (Review the City and County Organizational Structure and Governance Models) of the Water/Sewer Services Comprehensive Business Process Review for Baltimore City and Baltimore County, as finalized in July 2021;

(2) review the findings under Task 2.4 (Governance Model Examples and Case Reviews) 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:

- (i) management;
- (ii) operations;
- (iii) employee recruitment;
- (iv) retention and training;
- (v) billing and collections;
- (vi) planning for capital improvements;
- (vii) emergency management; and
- (viii) rate stability for customers;

(3) assess alternative governance structures for the Baltimore region's water and wastewater utility, including frameworks for:

- (i) governance;
- (ii) financing;
- (iii) capital planning;
- (iv) future system capacity expansion;
- (v) decision-making processes; and

(vi) ongoing operations and maintenance of safe, efficient, equitable, and affordable water and wastewater systems serving the Baltimore region;

(4) 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:

- (i) systems transitions;
- (ii) asset leases and capital planning;
- (iii) rate restructuring for Baltimore City, Baltimore County, and other wholesale stakeholders;
- (iv) debt consolidation and extension;
- (v) staffing and pension liabilities; and

(vi) other relevant costs to jurisdictions or customers served by the shared systems; and

(5) 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.

(h) In developing the recommendations and report required under this section, the Task Force shall consult with the Department of the Environment and the Maryland Environmental Service.

~~(i) It is the intent of the General Assembly that the Task Force strengthen the governance of the Baltimore region's water and wastewater utility as a public asset managed and operated by local government.~~

~~(j)~~ On or before January 30, 2024, the Task Force shall 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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. It shall remain effective through June 30, 2024, and, at the end of June 30, 2024, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2023.