

**CITY OF BALTIMORE
COUNCIL BILL 16-0307R
(Resolution)**

Introduced by: Councilmember Henry, President Young, Councilmembers Costello, Clarke,
Scott, Mosby, Branch, Holton, Middleton

Introduced and read first time: June 20, 2016

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Department of Public Works, Department of Finance

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – Water Affordability**

3 FOR the purpose of requesting that representatives from the Department of Public Works and the
4 Department of Finance, as well as independent experts, appear before the Council to discuss
5 the burden of water bills on low-income households, senior citizens, and tenants and to
6 discuss the potential for a more equitable rate structure design and a comprehensive
7 affordability program to assist residents with unaffordable bills and prevent water service
8 cut-offs.

9 **Recitals**

10 Last year, the Department of Public Works cut off water service to more than 8,000
11 customers for nonpayment of overdue bills. Two-thirds of those customers were in the City, and
12 all but 13 were residential accounts. Most of these households are located in census tracts with
13 the lowest median household incomes. From April through October of every year, customers
14 that owe more than \$250 and are more than 6 months late on their water bills could lose running
15 water in their homes for nonpayment.

16 Since 2013, water and sewer rates have risen 42 percent, and since 2008, water and sewer
17 rates have doubled. Unlike most cities, the City has a declining block rate structure for water
18 service, so customers pay less for higher volumes of water of used. As a result of this rate
19 design, high-volume commercial accounts pay a lower average rate than households pay.

20 The United Nations Development Programme set a threshold for affordable water and
21 sanitation service at 3 percent of household income. As of July 2015, the typical household in
22 the City pays \$892 a year for water and sewer service – an amount that would constitute at least
23 3.6 percent of the annual income for households that earn less than \$25,000 a year. One-third of
24 City households earn less than \$25,000 a year.

25 The Department of Public Works offers a 39 percent discount for qualifying senior citizen
26 households, and a one-time credit of \$179 to qualifying low-income households who are
27 delinquent on their bills. Residents who fall behind on an existing payment plan are ineligible
28 for additional aid. There is no assistance for low-income residents before they fall behind on
29 their bills, and there is no ongoing assistance for low-income households. Low-income
30 households may have difficulty applying for the assistance that is available because of the

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 application process. In addition, tenants who are responsible for their own water bills may have
2 difficulty accessing assistance, and some tenants have reported having their water service cut off
3 due to no fault of their own but because their landlords failed to pay their water bills.

4 The Council recognizes that increases in water and sewer rates were necessary to pay for
5 critical improvements to the City drinking water and wastewater infrastructure. Without federal
6 and state support, rates will continue to increase to pay for repairs and upgrades, including to
7 ensure compliance with the modified consent decree for the wastewater system. The Council
8 further recognizes that universal access to safe and affordable water and sewer service is
9 necessary for public health, community wellbeing, and basic human dignity. The City must take
10 steps to ensure that the burden of these increases does not fall too hard on low-income
11 households, senior citizens, and tenants. Without further action, more and more households will
12 struggle to pay their water bills.

13 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
14 Council requests that representatives from the Department of Public Works and the Department
15 of Finance, as well as independent experts, appear before it to discuss the burden of water bills
16 on low-income households, senior citizens, and tenants and to discuss the potential for a more
17 equitable rate structure design and a comprehensive affordability program to assist residents with
18 unaffordable bills and prevent water service cut-offs.

19 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
20 Director of Public Works, the Head of the Department of Public Works' Bureau of Water and
21 Wastewater, the Director of Finance, and the Mayor's Legislative Liaison to the City Council.