



Legislation Details (With Text)

File #: 16-0307R **Version:** 0 **Name:** Informational Hearing - Water Affordability
Type: City Council Resolution **Status:** Failed - End of Term
File created: 6/20/2016 **In control:** Taxation, Finance and Economic Development Committee
On agenda: **Final action:** 12/5/2016
Enactment date: **Enactment #:**

Title: Informational Hearing - Water Affordability
For the purpose of requesting that representatives from the Department of Public Works and the Department of Finance, as well as independent experts, appear before the Council to discuss the burden of water bills on low-income households, senior citizens, and tenants and to discuss the potential for a more equitable rate structure design and a comprehensive affordability program to assist residents with unaffordable bills and prevent water service cut-offs.

Sponsors: Bill Henry, President Young, Eric T. Costello, Mary Pat Clarke, Sharon Green Middleton, Brandon M. Scott, Nick Mosby, Helen L. Holton, Warren Branch

Indexes: Affordability, Informational Hearing, Water

Code sections:

Attachments: 1. 16-0307R~1st Reader, 2. Finance 16-0307R, 3. DPW 16-0307R, 4. DPW Power-Point, 5. Water Affordability Measures - Public Justice Center, 6. Water is a Human Right Letter, 7. AARP - Maryland, 8. NHS Baltimore Inc., 9. Testimony - Mary Grant, Public Water for All Campaign Director - Food and Water Watch, 10. Joan Jacobson Testimony

| Date | Ver. | Action By | Action | Result |
|-----------|------|--|--------------------------------|--------|
| 9/19/2016 | 0 | Taxation, Finance and Economic Development Committee | Scheduled for a Public Hearing | |
| 8/15/2016 | 0 | Taxation, Finance and Economic Development Committee | Scheduled for a Public Hearing | |
| 6/23/2016 | 0 | The City Council | Refer to Dept. of Finance | |
| 6/23/2016 | 0 | The City Council | Refer to Dept. of Public Works | |
| 6/20/2016 | 0 | City Council | Assigned | |
| 6/20/2016 | 0 | City Council | Introduced | |

Introduced by: Councilmember Henry

A Resolution Entitled

A Council Resolution concerning
Informational Hearing - Water Affordability

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

Recitals

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

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

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

The Department of Public Works offers a 39 percent discount for qualifying senior citizen households, and a one-time credit of \$179 to qualifying low-income households who are delinquent on their bills. Residents who fall behind on an existing payment plan are ineligible for additional aid. There is no assistance for low-income residents before they fall behind on their bills, and there is no ongoing assistance for low-income households. Low-income households may have difficulty applying for the assistance that is available because of the application process. In addition, tenants who are responsible for their own water bills may have difficulty accessing assistance, and some tenants have reported having their water service cut off due to no fault of their own but because their landlords failed to pay their water bills.

The Council recognizes that increases in water and sewer rates were necessary to pay for critical improvements to the City drinking water and wastewater infrastructure. Without federal and state support, rates will continue to increase to pay for repairs and upgrades, including to ensure compliance with the modified

consent decree for the wastewater system. The Council further recognizes that universal access to safe and affordable water and sewer service is necessary for public health, community wellbeing, and basic human dignity. The City must take steps to ensure that the burden of these increases does not fall too hard on low-income households, senior citizens, and tenants. Without further action, more and more households will struggle to pay their water bills.

Now, therefore, be it resolved by the City Council of Baltimore, That the Council requests that representatives from the Department of Public Works and the Department of Finance, as well as independent experts, appear before it to discuss the burden of water bills on low-income households, senior citizens, and tenants and to discuss the potential for a more equitable rate structure design and a comprehensive affordability program to assist residents with unaffordable bills and prevent water service cut-offs.

And be it further resolved, That a copy of this Resolution be sent to *the Mayor, the Director of Public Works, the Head of the Department of Public Works' Bureau of Water and Wastewater, the Director of Finance, and the Mayor's Legislative Liaison to the City Council.*