

**BALTIMORE REGIONAL WATER GOVERNANCE TASK FORCE**

**MEETING #5 –SUMMARY AND RECOMMENDATIONS**

**THURSDAY, NOVEMBER 16, 2023**

**6:00 – 9:00 P.M.**

**PUBLIC COMMENTS**

### **List of Follow-ups from Meeting 5 to be Addressed in the Draft Report:**

- Include equity study as one of the items to be considered as a threshold issue.
- For Model C:
  - Reach out to the City's Law Department to understand which of the recommended changes to Model C/modified intermunicipal agreements can be done without a Charter Amendment or legislation? Determine what changes would need legislative action and what changes can be done through executive decree by the Mayor, Board of Estimates or County Executive.
  - Recommend that periodic cost of service studies be undertaken to support any rate increase. Annually track cost of service expenses (reconcilable to last Cost of Service Study) or use other method(s) consistent with industry standards to inform rate setting in the future.
- For Model E:
  - Provide information on feasibility of avoiding debt refinancing based on an example that would help structure a similar course of action for the Baltimore region. Check for more information about the Los Vaqueros Reservoir Joint Powers Authority deal structure.
  - Include details and description of the sub-options/variations available under Model E

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| 1.  | <p><b>Name: Jorge Aguilar, Food and Water Watch</b></p> <p><b>Comment:</b> Our organization has argued that a predetermined outcome was decided for the Taskforce before this process began. The consultants seem to be directing the Taskforce to Model E though several questions remain unanswered. There has been clarity on the legal implications of Model E, but no economic or equity impact assessment. We do not believe that a sufficiently comprehensive analysis has been done. No compelling case for Model E has been made, and there is no compelling evidence that Model E will address issues of employee recruitment and retention. Our cost estimates were dismissed as a big "if" even though they are based on the example models chosen—the costs we estimated not only consider debt costs but other transition costs. It is unclear how the significant transaction costs would be addressed. Another issue is that of the loss of assets. A regional authority would require overturning the privatization ban through a Charter amendment. Chair's questions on the how the leasing of assets off the City's books would work remain unanswered.</p> | <ul style="list-style-type: none"> <li>• Please recommend substantive reforms to the intermunicipal agreements (Model C)</li> <li>• Please demand a detailed report from the consultants that demonstrates the analysis done.</li> <li>• Reject the recommendation of Model E.</li> </ul> | <p>Thank you for your comment.</p> <p>The Taskforce passed a vote to exclude Model D, Wholesale Service Purchase Agreement from further consideration. The vote to select a governance option will occur on January 25 after the Task Force has reviewed the draft Governance Model Assessment Report and received the public's comments.</p> <p>The Taskforce has agreed not to recommend an option that would involve privatization of the water and wastewater system in the Baltimore region or the transfer of any asset ownership from the City.</p> <p>This comment will be recorded, and the issues raised will be kept in mind as we work to select a new governance model and for any future implementation and policy work around the new model.</p> |
| 2.  | <p><b>Name: David Wheaton, NAACP Legal Defense Fund</b></p> <p><b>Comment:</b> Three questions remain unanswered:</p> <ul style="list-style-type: none"> <li>• Impact on low-income rate payers—we know from academic research as well as the historical experience of Detroit and Birmingham, cities with large Black populations like Baltimore, that rates increase after regionalization.</li> <li>• Loss of assets from the City's books—we need to delve into this question. Detroit leased its assets. In the case of Baltimore, we need to know what this would mean for bond ratings and the City's ability raise financing in other sectors such as education.</li> </ul>   | <p>I urge the Taskforce to do a racial equity and economic equity assessment.</p>   | <p>Thank you for your comment.</p> <p>This comment will be recorded, and the issues raised will be kept in mind as we work to select a new governance model and for any future implementation and policy work around the new model.</p>   |

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|     | <ul style="list-style-type: none"> <li>No certainty on lease payments—no talk of what this payment would be.</li> </ul> <p>Workforce retention is another issue—interesting to see that Model E was rated ++ though we know from Detroit’s example that 15 percent of union jobs were lost.</p>   |   |  |
| 3.  | <p><b>Name: Todd Reynolds, Political Coordinator for AFT MD</b></p> <p><b>Comment:</b> I do not believe there is data to support the assessment that Model E would fare better than other models in terms of addressing issues of employee recruitment such as high turnover and vacancy rates (Slide 17 and 18). If there is to be a new authority, would current employees of the City and County no longer be City and County employees? What happens to their bargaining rights? Do they have to be re-certified as a union? Would they need to re-apply for their jobs? These are some genuine concerns and fears around these issues.</p> | Please consider concerns of current City and County employees before deciding on the new governance model.    | Thank you for your comment. This comment will be recorded, and the issues raised will be kept in mind as we work to select a new governance model.   |
| 4.  | <p><b>Name: Anne Wilson, Baltimore City Resident</b></p> <p><b>Comment:</b> I am concerned about 1) whether the public would have opportunity to provide input in the future rate setting process, 2) whether low-income neighbors will be protected under the new model, 3) the potential for privatization in case any Charter amendments are made, and 4) whether existing programs on equity and affordability will be able to continue under the new model. These were developed after lengthy deliberation based on the UNGA Agreement in 2010 that recognized water as a basic human right and set the standard for affordability.</p>   | Please ensure that current protections for low-income neighbors are continued under the new governance model. | Thank you for your comment.<br><br>Existing equity-based programs such as the Water4All program would continue under a new governance model, including Model E. The consultant recommends that these existing programs focused on promoting equitable and affordable access to water continue under the new governance model. If Model E is chosen, there will be an opportunity to expand these programs across the region/service area of the new authority, which may be a positive development from an equity perspective. |