

RWGTF Recommendation - Final Draft (1/25/24)

The Baltimore Regional Water Governance Task Force makes the following recommendations:

In the short-term, we recommend that the City of Baltimore assess the feasibility of and actions required to implement a solution based on a variation of Option C, where the City assesses removing the Bureau of Water & Wastewater from the Department of Public Works so that water & wastewater operations can be run as a separate department, and would continue making operational improvements with the input and assistance of a “City-County Water Advisory Committee,” and that the County similarly assess programs under the County’s Department of Public Works and Transportation. The assessments should consider any impacts to other services and operations of the jurisdictions.

We also recommend, in the short term, that the City of Baltimore’s Department of Public Works takes measures necessary and feasible to continue improvements in service delivery to all customers of the regional utility (retail and wholesale), as well as operations and maintenance of critical infrastructure inclusive of the water and wastewater treatment facilities.

We further recommend that the City of Baltimore’s Department of Public Works, together with the Baltimore County Department of Public Works & Transportation, immediately initiate cooperative improvements in the joint planning function, as well as improve coordination to address common environmental compliance requirements and services to mitigate impacts to all communities.

For the long term, we acknowledge that while Option E shows promise in addressing regional concerns about the existing governance structure which the other options do not, the Task Force does not have time to perform the requisite due diligence which simply recommending Option E requires. Further analysis and assessment of the eight criteria in the House Bill and other threshold issues (an equity study, workforce analysis, operation and maintenance decision making, capital improvement planning, compliance coordination, debt service research, pension & benefits research, stormwater research, etc.) cannot be completed before the report deadline at the end of January. As such, we recommend that this due diligence be done by a subsequent working group over the course of the next three years from the date of issuance of this report, with the results informing the best governance structure for the regional utility.

Phase I - Short Term (implementation begins immediately)

First, we recommend, that the City and the County study the prospect of returning¹/establishing the existing Water & Wastewater bureau/functions to respective, standalone Water (W/WW/SW) Departments. This would allow for a singular focus, and necessary resources, to effectively manage operations, maintenance, capital investment and service delivery for the existing regional water and wastewater utility responsible for both retail and wholesale services. Advantages include reducing the chain of command for decision making, and elevating the ranks of W&WW managers, to justify salaries consistent more easily with attracting and retaining the best personnel. There is precedent for this, in that the existing City departments of Transportation and General Services were both previously bureaus inside Public Works.

Additionally, there is also precedent set by other municipal regional water utilities having the same scope and scale of the City of Baltimore's regional water utility, such as NYCDEP, Atlanta DWM, Philadelphia Water, San Francisco PUC, Miami-Dade Water & Sewer, and New Orleans SWB, which has a Mayor-appointed/led board and an executive director.

Next, we recommend establishing a professional "City-County Water Advisory Committee" to ensure that the current operation is strengthened and accountable to all ratepayers of the system. Members would be selected by the Mayor of Baltimore City and the Baltimore County Executive, with the committee's scope of work including, but not limited to: reviewing the intermunicipal agreements, engagement in long-term planning, staffing challenges, drought response, capacity planning, CIP prioritization, customer service & support and water & sewer billing issues. The selected members to the Committee shall have specific expertise and experience in one or more of the following disciplines: water resources management and protection; management and operations of water and wastewater systems; environmental finance; human resources management; environmental justice and equity; or other disciplines relevant to management and operation of a water and wastewater system. The selected Committee shall hold public meetings on a recurring basis to review, discuss and make recommendations to strengthen current operation of the system to better address current and future challenges.

Specific operational issues which would also be addressed in the short term include, but are not limited to:

Transparency: Perform a cost-of-service study to provide ratepayers with a clear understanding of how their water bills translate to the requirements of operating the system

Equity: Perform a joint equity assessment to evaluate the impact that the existing governance structure has on employees, customers, stakeholders, and the environment, and recommend policy and project modifications to promote community well-being

Phase II - Long Term (2024 through 2027)

Before considering any regional governance structure, we recommend that further evaluation of the threshold issues be conducted by a dedicated, professional work group. This group should be charged with evaluating the threshold issues and recommending how regional governance should be structured to best address each threshold issue and any other issues the working group identifies.

The issues to be studied by this working group should include, but are not limited to, the following:

Equity: Creation of an equity analysis to understand the impact of transition to a newly established authority on vulnerable residents in each jurisdiction, including recommended programming to support residents through actions associated with transition

Financial: Development of a financial transition plan, including an analysis of the fiscal consequences of moving to an authority model for each jurisdiction, especially in terms of pension, benefit commitments and debt service.

Human Capital: Evaluation of the potential workforce for a regional water authority, including the hiring of new employees and transition of existing City and County employees to a newly established authority model

Legal: Assessment of any legal and legislative adjustments needed to transition to a regional water authority, including an analysis of changes needed to the City and County codes and charters

Operational: Assessment of any administrative and operational adjustments needed to transition to a regional water authority, including a comprehensive examination and analysis of whether stormwater management should be included in the Authority's responsibilities

Rate Board: Assess the necessity and feasibility of a City-County Rate Board, with the express purpose of bringing equity to consumers and addressing the current disparity between the current city and county rates.

The Task Force recognizes that the ideal solution may not be exactly the same type of regional structure as described by the Task Force's consultant under Option E. Therefore, we recommend that other types of regional governance models, like a compact commission², should also be considered by the professional working group.

Additionally, we recommend that in the upcoming legislative session, the General Assembly should pass legislation to establish the working group and provide sufficient resources for this working group that will research and evaluate the threshold issues listed above involved in establishing a regional governance model. The appointees to the working group shall have specific expertise and experience in one or more of the following disciplines: water resources management and protection; management and operations of water and wastewater systems; environmental finance; human resources management; environmental justice and equity; or other disciplines relevant to management and operation of a water and wastewater system. Funding should include the allocation of resources for legal counsel, since neither the City nor County's law departments can advise such an independent entity.

These recommendations represent the culmination of this Task Force's best efforts, in line with House Bill 843, to "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". The process leading up to this recommendation included seven (7) public meetings and the analysis and support of the Taskforce's Consultant. This included a Consultant Report to the Taskforce earlier in the process which included the Consultant's Recommendations to the Taskforce. To represent the totality of the process, the following items are provided as Exhibits:

Exhibit A, Task Force Meeting #1, September 13, 2023: Existing Organization & Agreements Meeting Notes, accessible at <https://mayor.baltimorecity.gov/sites/default/files/Meeting%201%20Notes.pdf>

Exhibit B, Task Force Meeting #2, October 4, 2023: Governance Models Meeting Notes, accessible at <https://publicworks.baltimorecity.gov/files/meeting-2-notesdraft-10-05-23pdf>

² There is a precedent for this type of legally mandated cooperation and regulation of independent jurisdictions in the federal and state laws that created the Susquehanna River Basin Commission (SRBC - <https://www.srbc.gov/>). SRBC is a river basin "Compact Commission", established under federal law with companion laws in New York, Pennsylvania, and Maryland (Env Art §5-301). The Commission is charged with coordinating the development and use of the water resources of the Susquehanna River. SRBC also has been granted regulatory authority over water appropriation and use of water by businesses, government agencies and municipalities in all three states that govern the land area that makes up the Susquehanna River Basin. There are similar compact commissions for the Potomac (MD, VA, WV, PA and DC) <https://www.potomacriver.org/> and the Delaware (DE, PA, NJ, NY) <https://www.nj.gov/drbc/>

Exhibit C, Task Force Meeting #3, October 18, 2023: Governance Models & Preliminary Fiscal Analysis Meeting Notes, accessible at <https://publicworks.baltimorecity.gov/files/meeting-3-notesdraft-10-18-23pdf>

Exhibit D, Task Force Meeting #4, November 1, 2023: Final Fiscal Analysis Meeting Notes, accessible at <https://mayor.baltimorecity.gov/files/meeting-4-notes11-06-23pdf>

Exhibit E, Task Force Meeting #5, November 16, 2023: Summary & Recommendation Meeting Notes, accessible at <https://publicworks.baltimorecity.gov/files/meeting-5-notesdraft-11-28-23pdf>

Exhibit F, Draft Consultant Report, shared with the Task Force and the public on December 15, 2023 and accessible at <https://mayor.baltimorecity.gov/files/baltimore-regional-water-governance-task-force-draft-consultant-report-appendicespdf>

Exhibit G, Task Force Meeting #6, January 8, 2024: Draft Report Review Meeting Notes, accessible at <https://mayor.baltimorecity.gov/files/meeting-6-public-comment-summarydraft-01-08-24pdf>

Exhibit H, Task Force Meeting #7, January 25, 2024: Final Recommendation Report Meeting Notes, accessible at [LINK TBD]

Collectively, these Recommendations and the Exhibits listed above constitute the Baltimore Regional Water Governance Taskforce's "findings and recommendations" in accordance with HB 843.