

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 880

(Senators Sydnor and Carter)

Education, Energy, and the Environment

Environment and Transportation

Baltimore Regional Water Governance Task Force

This emergency bill establishes the 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 and the legislation and funding necessary to establish the recommended model. The Mayor of Baltimore City and the Baltimore County Executive must jointly provide staff for the task force. The task force must report its findings and recommendations to the Mayor of Baltimore City, the Baltimore County Executive, the Governor, and the General Assembly by January 30, 2024. In developing its recommendations and report, the task force must consult with the Maryland Department of the Environment (MDE) and the Maryland Environmental Service (MES). **The bill terminates June 30, 2024.**

Fiscal Summary

State Effect: MDE and MES both advise that they can consult with the task force as necessary with existing budgeted resources. State revenues are not affected.

Local Effect: Baltimore County advises that any expense reimbursements for task force members and staffing costs for the county are assumed to be minimal and absorbable within existing budgeted resources. Although Baltimore City did not respond to a request for information regarding the fiscal effect of this bill, it is assumed that any costs are also minimal and absorbable within existing resources. Local revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The task force must (1) review the findings of two specified tasks 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 specified metrics; (2) assess alternative governance structures for the Baltimore region's water and wastewater utility, including specified frameworks; (3) 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 specified items and activities; and (4) 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.

Task force members may not receive compensation but are entitled to reimbursement for expenses.

Current Law: The Baltimore County Metropolitan District, established by the General Assembly pursuant to Chapter 539 of 1924, is the geographic boundary within which a property may be eligible to receive public water and sewer service. Eligibility for service also requires the correct designation in the Water and Sewer Master Plan.

The rates to be charged by Baltimore City for furnishing water to consumers in the county must be established by agreement between Baltimore City and the county, subject to approval by the Public Service Commission. The Mayor and City Council of Baltimore City must furnish water to the metropolitan district of the county at cost and entirely without profit or loss. The county and the city must, from time to time, determine by agreement, if possible, the cost to Baltimore City of furnishing water to consumers in the metropolitan district of the county, as specified.

Based on information provided in the July 2021 Water/Sewer Services Comprehensive Business Process Review, under the current governance framework, Baltimore City is responsible for the operation and maintenance of the water distribution system and related assets (pumps, storage, etc.) for both Baltimore 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 the county. Water and wastewater rates, fees and charges for city customers are set by the city. 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 Baltimore County Executive. A July 2022 [executive order](#) issued by the Baltimore County Executive altered the annual water distribution charges and sewer service charges for properties in the county.

Each county (including Baltimore City) must have an individual or group (with adjoining counties) plan that is approved by MDE that has a 10-year forecasted water and sewerage plan to demonstrate how safe and adequate water and sewerage facilities will be provided to support planned redevelopment and new growth that is outlined in their comprehensive land use plans.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 843 (Delegate Smith, *et al.*) - Environment and Transportation.

Information Source(s): Baltimore, Carroll, Harford, and Howard counties; Maryland Department of the Environment; Maryland Environmental Service; Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2023
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Analysis by: Kathleen P. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510