

Chapter 178

(Senate Bill 880)

AN ACT concerning

Baltimore Regional Water Governance Task Force

FOR the purpose of establishing the Baltimore Regional Water Governance Task Force to study approaches to water and wastewater governance in the Baltimore region; and generally relating to water supply and wastewater treatment in the Baltimore region.

Preamble

WHEREAS, The General Assembly of Maryland granted general authority to Baltimore City to develop a water supply system within and outside of its borders, impound and withdraw water from the Gunpowder River, the Patapsco River, and the Little Gunpowder River, and withdraw water from the Susquehanna River; and

WHEREAS, The water supply system developed by Baltimore City has supported the development and expansion of adjacent regional counties; and

WHEREAS, Chapter 539 of 1924 established a Metropolitan District within Baltimore County authorizing Baltimore County to construct, maintain, and operate wastewater systems within the Metropolitan District and required Baltimore City to extend the water supply lines within the Metropolitan District; and

WHEREAS, Chapter 729 of 1939 authorized Baltimore County to enter into contractual agreements with Baltimore City for the disposal of wastewater and for the establishment, construction, operation, and maintenance of and costs associated with the water supply and wastewater systems; and

WHEREAS, Baltimore County and Baltimore City entered into agreements in 1945 and 1963, and, most recently, in 1972 and 1974 recognizing that “substantial increases in population, volume of sewage, operation and maintenance costs, and costs of construction” for the jointly-used water and wastewater systems compelled updates to the jurisdiction management and funding of the systems; and

WHEREAS, In 1991, arbitration clarified that individuals who use water services within the Metropolitan District were customers of Baltimore City’s water system and were principals of Baltimore County in the provision of water services; and

WHEREAS, Due to regional population growth, Baltimore City’s water and wastewater system now provides water and wastewater service to additional jurisdictions, including Anne Arundel County, Carroll County, Harford County, and Howard County and now serves more than 1.8 million regional residents; and

WHEREAS, In accordance with Title 9, Subtitle 5 of the Environment Article, Baltimore City alone develops the plans for water supply and wastewater systems, including operations, maintenance, and capital investments, while Baltimore County pays their proportionate share of the costs; and

WHEREAS, Baltimore City and Baltimore County jointly engaged consultants to conduct a comprehensive business process review to identify strengths and weaknesses of the current governance, planning, data management, and operations of the water and wastewater utilities, to identify opportunities to improve interjurisdictional collaboration, and to understand the current state of the structures and processes for the delivery of water and wastewater services, including operations, planning, and billing, the results of which were finalized in July 2021 in the Water/Sewer Services Comprehensive Business Process Review; and

WHEREAS, The consultants provided several models of governance and operations that may provide optimal customer service, system reliability, or interjurisdictional collaboration, and specifically recommended the exploration of alternative governance structures; and

WHEREAS, The consultants highlighted the development, operations, and governance of several existing regional models for water and wastewater across the country; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

- (a) There is a Baltimore Regional Water Governance Task Force.
- (b) (1) The Task Force consists of the following members:
 - (i) one member of the Senate of Maryland, appointed by the President of the Senate;
 - (ii) one member of the House of Delegates, appointed by the Speaker of the House;
 - (iii) two members appointed by the Governor;
 - (iv) five members appointed by the Mayor of Baltimore City;
 - (v) three members appointed by the County Executive of Baltimore County; and

(vi) one member from either Anne Arundel County, Carroll County, Howard County, or Harford County, appointed by the Chair of the Baltimore Metropolitan Council.

(2) Each member shall:

(i) have knowledge of:

1. water;
2. wastewater; or
3. financing of water or wastewater infrastructure; or

(ii) represent ratepayers in their respective jurisdictions.

(c) The Mayor of Baltimore City and the County Executive of Baltimore County shall jointly designate a chair of the Task Force.

(d) The Mayor of Baltimore City and the County Executive of Baltimore County shall jointly provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The Task Force shall strive for consensus among its members.

(2) An affirmative vote of 10 members is needed for the Task Force to act.

(g) The Task Force shall:

(1) review the findings under Task 2 (Review the City and County Organizational Structure and Governance Models) of the Water/Sewer Services Comprehensive Business Process Review for Baltimore City and Baltimore County, as finalized in July 2021;

(2) review the findings under Task 2.4 (Governance Model Examples and Case Reviews) 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:

- (i) management;
- (ii) operations;
- (iii) employee recruitment;
- (iv) retention and training;
- (v) billing and collections;
- (vi) planning for capital improvements;
- (vii) emergency management; and
- (viii) rate stability for customers;

(3) assess alternative governance structures for the Baltimore region's water and wastewater utility, including frameworks for:

- (i) governance;
- (ii) financing;
- (iii) capital planning;
- (iv) future system capacity expansion;
- (v) decision-making processes; and

(vi) ongoing operations and maintenance of safe, efficient, equitable, and affordable water and wastewater systems serving the Baltimore region;

(4) 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:

- (i) systems transitions;
- (ii) asset leases and capital planning;
- (iii) rate restructuring for Baltimore City, Baltimore County, and other wholesale stakeholders;
- (iv) debt consolidation and extension;
- (v) staffing and pension liabilities; and

(vi) other relevant costs to jurisdictions or customers served by the shared systems; and

(5) 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.

(h) In developing the recommendations and report required under this section, the Task Force shall consult with the Department of the Environment and the Maryland Environmental Service.

~~(i) It is the intent of the General Assembly that the Task Force strengthen the governance of the Baltimore region's water and wastewater utility as a public asset managed and operated by local government.~~

~~(j)~~ On or before January 30, 2024, the Task Force shall report its findings and recommendations to the Mayor of Baltimore City, the County Executive of Baltimore County, the Governor, and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. It shall remain effective through June 30, 2024, and, at the end of June 30, 2024, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2023.