

April 2, 2024

TO: Brian Feldman, Chair of the Senate Education, Energy, and the Environment Committee, and Committee Members
FROM: Isaac Hametz, The Nature Conservancy, Baltimore Program Director; Humna Sharif, The Nature Conservancy, Climate Adaptation Manager

POSITION: Support SB 1174 Baltimore Regional Water Governance Model Workgroup - Established

The Nature Conservancy (TNC) supports SB 1174 offered by Senator McCray. TNC is a global conservation organization working to conserve the lands and waters on which all life depends. In Maryland, our work focuses on delivering science-based, on-the-ground solutions that secure clean water and healthy living environments for our communities, reducing greenhouse gas emissions and increasing resilience in the face of a changing climate. We are dedicated to a future where people and nature thrive together.

SB 1174 will establish the Baltimore Regional Water Governance Model Workgroup to study the regional water governance approach in the Baltimore region. SB 1174 builds upon the analysis that was authorized through [HB 843](#) in 2023, which created the [Baltimore Regional Water Governance Task Force](#) to review the organizational structure of the water and wastewater utilities in Baltimore City and Baltimore County. The Task Force established through HB 843 reviewed case studies of governance models including, regional models and assessed how these models may improve management, operations, employee recruitment, retention and training, billing and collections, planning for capital improvements, emergency management, and rate stability for customers. The Task Force also assessed alternative governance structures for the Baltimore region's water and wastewater utilities, including frameworks for governance, financing, capital planning, future system expansion, decision-making processes, and ongoing operations and maintenance of safe, efficient, equitable, and affordable water and wastewater systems serving the Baltimore region. Finally, the task force analyzed the fiscal implications and efficiencies of each alternative governance model and made recommendations for the governance model best suited for the Baltimore region's water and wastewater systems along with the legislation and funding to establish the recommended model.

SB 1174 is the next step in the process to achieve Baltimore City and Baltimore County's efforts to execute their shared vision for a "Utility of the Future" to improve service quality through enhanced intergovernmental coordination and improved business processes and policies. This Workgroup will review the report created by the Baltimore Regional Water Governance Task Force. The new workgroup will analyze the issues relevant to implementing a regional water governance model in the Baltimore region with a particular focus on developing an equity analysis. This Workgroup will analyze how the shift to a regional water governance model will affect vulnerable residents in the areas and recommend programs to assist affected residents during the implementation of a regional program. The Workgroup will also assess the administrative and operational changes required for implementing a regional water governance model. An important question under consideration for the Workgroup is whether stormwater management would fall under the purview of a regional water governance model. With increasing frequency and intensity of extreme weather events due to climate change, clarity around processes for stormwater management decisions is an important element in a resilient water utility and infrastructure for Baltimore City and Baltimore County.

The regional water and wastewater utilities in Baltimore City, Baltimore County and surrounding jurisdictions are currently operating under an agreement that is over 50 years old. In this agreement, Baltimore City carries the responsibility for water supply and wastewater operations, maintenance, and capital investments for a system that serves nearly 1.8 million residents. SB 1174 will assist in modernizing the water and wastewater utilities by requiring the Workgroup to dive into the recommendations from the Task Force and analyze the pros and cons of implementing a Special District/Water and Wastewater Authority or a Special District/Authority. This will include ensuring equitable cost sharing for all jurisdictions covered by the utility system. The new recommended system of governance will prioritize efficient, equitable, and sustainable essential services to the residents of Baltimore City, Baltimore County and the surrounding communities.

This process will ultimately result in decisions that are most appropriate to improve management, operations, billing, capital planning and rate stability for the Baltimore water and wastewater utilities' customers. TNC commends Senator McCray for introducing SB 1174, which will lead to the creation of a modern, efficient and equitable water and wastewater system for the residents of Baltimore City and Baltimore County.

Therefore, we urge a favorable report on SB 1174.