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**SB1174 - Baltimore Regional Water Governance Model Workgroup - Established**

April 1, 2024

Environment and Transportation

**FAVORABLE WITH AMENDMENTS**

On behalf of Food & Water Watch and our 44,000 supporters in Maryland, **we recommend that you amend SB1174 to ensure adequate protections for Baltimore area residents and workers.** The recommended list of amendments is included at the end of this testimony.

SB1174 establishes a workgroup to continue the study of the similarly named task force created last session to explore alternative governance models for the Baltimore water and sewer utilities. The task force recommended that this workgroup attempt to resolve what it called “threshold issues” of a governance change; these are the risks and dangers associated with a regional authority, including debt refinancing costs and employee transition and pension costs.

Turning control over to a regional water authority could result in up to \$2 billion in transaction costs, based on consultant estimates and experience from Detroit, and it could lead to large water bill hikes, water shutoffs, water privatization, and the loss of potentially thousands of unionized positions within city and county government. Please see the attachments for more information.

We strongly believe that SB1174 should include additional guardrails to protect the public, and these guardrails must be written into SB1174 because the previous Task Force limited its scope of study to the letter of the law that established it. We propose a set of amendments as follows:

- 1) Clearly prohibit all forms of water privatization, including private management and operations.
- 2) Provide for adequate compensation to the City for loss of any assets.
- 3) Preserve existing worker and low-income ratepayer protections, including the Water4All program, shutoff protections, the Customer Advocate’s office, the City’s sewage onsite support program and expedited reimbursement program, and Ballot Question E that banned water privatization.
- 4) Provide for robust public input.
- 5) Include “disparate impacts on particular racial groups” in the equity study.
- 6) Include low-income advocate and labor representation in the workgroup.

I urge you to incorporate the following amendments in SB1174.

Thank you for your time and consideration,  
Jorge Aguilar  
Southern Region Director  
Food & Water Watch

### Amendment 1 - Clear prohibition on all forms of privatization

On page 4 in line 14, after “(j)” insert “It is the intent of the General Assembly that the workgroup will strengthen the governance of the Baltimore region’s water and wastewater utility under public ownership, management and operation.”

### Amendment 2 – Provide for compensation to City

On page 3, in line 5, after “service” insert “, TO PROVIDE ADEQUATE COMPENSATION TO THE CITY FOR TRANSFER, SALE, OR CAPITAL LEASE OF ANY CITY-OWNED ASSETS,”

### Amendment 3 - Rate board correction

On page 3, in line 15, after “Board” Strike “is necessary to” and insert “WILL”

Amendment 4 - Direct the workgroup to limit their study to public sector solutions that will (1) exclude private for-profit ownership, operation or management of the systems as prohibited by the Baltimore City Charter, (2) protect democratic decision-making and the rights of workers and residents, and (3) not undermine or conflict with local water affordability laws and charter protections approved by voters.  
And provide for public input.

On page 4, in line 1 before (h), insert

“(5) CONSIDER ONLY ALTERNATIVE GOVERNANCE MODELS THAT ADHERE TO RATEPAYER AND LABOR PROTECTIONS ESTABLISHED BY LOCAL JURISDICTIONS, INCLUDING: (i) BALTIMORE CITY BALLOT QUESTION E OF 2018, WHICH WAS APPROVED BY VOTERS, TO AMEND THE CITY CHARTER TO PROHIBIT PRIVATE, FOR-PROFIT OWNERSHIP, OPERATION OR MANAGEMENT OF THE WATER SUPPLY AND WASTEWATER SYSTEM; (ii) THE WATER ACCOUNTABILITY AND EQUITY ACT OF BALTIMORE CITY, WHICH ESTABLISHED A LOW-INCOME WATER AFFORDABILITY PROGRAM, WHICH CONTAINED: WATER SHUTOFF PROTECTIONS FOR VULNERABLE HOUSEHOLDS, A DISPUTE RESOLUTION PROCESS, RIGHTS OF TENANTS TO RECEIVE THEIR BILLS, ACCESS ASSISTANCE, AND DISPUTE RESOLUTION, AND AN OFFICE OF CUSTOMER ADVOCACY AND APPEALS; (iii) COLLECTIVE BARGAINING AGREEMENTS, WORKER PENSIONS, AND BENEFITS FOR

WORKERS IN THE CITY AND THE COUNTY; AND (IV) BALTIMORE CITY'S SEWAGE ONSITE SUPPORT PROGRAM AND EXPEDITED REIMBURSEMENT PROGRAM;

(i) THE WORKGROUP SHALL PROVIDE OPPORTUNITIES FOR PUBLIC INPUT BY: (1) PUBLISHING A DRAFT OF ITS FINDINGS AND RECOMMENDATIONS FOR PUBLIC REVIEW ON THE WEBSITES OF THE CITY AND COUNTY; (2) HOLDING PUBLIC HEARINGS: (I) PRIOR TO THE DEVELOPMENT OF A DRAFT REPORT; (II) AFTER THE ISSUANCE OF A DRAFT REPORT; (III) WITH HEARINGS HELD ONLINE AND IN PERSON AT DIFFERENT TIMES OF DAY LOCATED AT: 1. SEVEN EARLY VOTING SITES LOCATED WITHIN THE CITY, AND 2. FIVE LOCATIONS IN THE COUNTY AT SITES WITHIN THE WATER SYSTEM SERVICE AREA THAT ARE CONVENIENT FOR PUBLIC TRANSPORTATION; 3. ONE LOCATION IN EACH OF THE FOUR OTHER JURISDICTIONS OF THE AFFECTED COUNTIES. (3) PROVIDING A PUBLIC COMMENT PERIOD OF AT LEAST 90 DAYS ON THE DRAFT REPORT PRIOR TO FINALIZING THE FINDINGS AND RECOMMENDATIONS; (4) ASSESSING THE PUBLIC INPUT IN THE FINAL REPORT BY (I) SUMMARIZING THE PUBLIC HEARINGS, PUBLIC COMMENTS, AND OTHER FEEDBACK; (II) ADDRESSING HOW THAT INFORMATION WAS INCORPORATED INTO THE FINAL REPORT AND RECOMMENDATIONS; AND (III) EXPLAINING THE REASONS WHY ANY PUBLIC FEEDBACK WAS NOT INCORPORATED INTO THE FINAL REPORT AND RECOMMENDATIONS; (5) ADVERTISING ALL WORKGROUP MEETINGS ON THE WEBSITES OF ALL AFFECTED JURISDICTIONS AND THE MARYLAND DEPARTMENT OF ENVIRONMENT, AND ON AT LEAST ONE SOCIAL MEDIA ACCOUNT, AND (6) HOLDING MEETINGS OPEN TO THE PUBLIC ONLINE AND IN-PERSON, PURSUANT TO MARYLAND PUBLIC MEETINGS ACT."

Amendment 5 - Include racial equity in equity study

On page 2, in line 27, after "area," insert "AND COULD CAUSE DISPARATE IMPACTS ON PARTICULAR RACIAL GROUPS"

Amendment 6 - Labor and low-income ratepayer representation

On page 1, line 15, after "Governor" insert ", including one representative from an organization representing low-income rate payers in Baltimore City;"

On page 1, line 15, after "City" insert ", including one representative from a labor union who is the certified exclusive representative for a bargaining unit"

of employees working within the water and wastewater utility for the city;”

On page 1, line 18, after “County” insert “, including one representative from a labor union who is the certified exclusive representative for a bargaining unit of employees working within the water and wastewater utility for the county; and”

On page 1, after line 21, insert “(vii) The labor union representatives listed in parts (iv) and (v) must not be from the same international union.”