

SB 1174 Baltimore Regional Water Governance (Favor

Uploaded by: Humna Sharif

Position: FAV

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.

SB1174-EEE-FAV.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

Office of Government Relations
88 State Circle
Annapolis, Maryland 21401

SB1174

April 2, 2024

TO: Members of the Education, Energy and Environment Committee
FROM: Nina Themelis, Director of the Mayor's Office of Government Relations
RE: Senate Bill 1174 – Baltimore Regional Water Governance Model Workgroup - Established

POSITION: SUPPORT

Chair Feldman, Vice Chair Kaga, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 1174.

SB 1174 would establish the Baltimore Regional Water Governance Model Workgroup to study the regional water governance approach in the Baltimore region; and require the Workgroup to report, on or before June 30, 2027, its findings to the Mayor of Baltimore City, the County Executive of Baltimore County, the Governor, and the General Assembly.

This is a continuation of HB 843 (2023) and Senate Bill (SB) 880 (2023) which were jointly drafted by Baltimore City and Baltimore County and introduced during the 2023 Maryland General Assembly. These bills were passed and signed by the Governor. The bills established a 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, as well as the legislation and funding necessary to establish the recommended model. The Task Force consulted with the Maryland Department of the Environment and the Maryland Environmental Service when developing its recommendations.

The members of the Task Force were appointed and beginning in September 2023, held a series of 6 public meetings to openly deliberate on alternative governance models. At the final meeting held on January 25, 2024, the Task Force voted on and approved its findings and recommendations, including:

- Studying the potential of returning/establishing existing Water & Wastewater bureaus or functions as separate, standalone Water Departments (Water, Wastewater, Stormwater).
- Proposing to establish a professional advisory committee to enhance the current operations and ensure accountability to all ratepayers of the system.
- Advising a thorough evaluation of threshold issues by a dedicated, professional workgroup before considering any regional governance structure, and recommending the optimal regional governance structure that addresses each threshold issue and other identified concerns.
- Acknowledging that the ideal solution may differ from the regional structure proposed by the Task Force's consultant by exploring other regional governance models, such as a compact commission.
- Recommending the General Assembly to pass legislation in the 2024 Session to establish a professional working group with sufficient allocated resources to research and evaluate the threshold issues involved in establishing a regional governance model.

SB 1174 would implement the Task Force's recommendation to establish a professional workgroup that would thoroughly research and evaluate the identified and potential threshold issues inherent in establishing a preferred regional governance model for the Baltimore region. The workgroup would mirror the composition of the Regional Task Force and would have 3 years in which to perform its mandate. The Governor would be required to appropriate \$500,000 in the State's FY26 annual budget to hire independent consultants to assist the workgroup. Baltimore City Department of Public Works estimates that the cost for the workgroup to the department for three years in time and resources will be over \$3,000,000 and the department is prepared to support the workgroup. The report of the workgroup's findings would be due to the Mayor of Baltimore City, the Baltimore County Executive, the Governor, and the General Assembly on or before June 30, 2027, the last day of the workgroup before it would sunset.

For these reasons, the Baltimore City Administration respectfully requests a favorable report on SB 1174.

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Uploaded by: Antoinette Ryan-Johnson

Position: FWA



City Union of Baltimore

Local 800, AFT, AFL-CIO

President

Antoinette Ryan-Johnson

Executive Vice President

Donna Price

**Written Testimony Submitted to the
Maryland Senate Education, Energy, and the Environment Committee
Antoinette Ryan-Johnson, President, City Union of Baltimore, AFT Local 800
SB 1174 – Baltimore Regional Water Governance Model Workgroup
April 2, 2024**

FAVORABLE-WITH-AMENDMENTS

Good afternoon Chair Feldman, Vice Chair Kagan, and members of the Senate Education, Energy, and the Environment Committee. My name is Antoinette Ryan-Johnson, and I am the President of the City Union of Baltimore, a union for Baltimore City employees, including almost 400 city employees working in the city's water and wastewater department. We call for a favorable-with-amendments report for SB 1174, the bill that would create a workgroup to study the potential to create a regional water utility for Baltimore City and County. We have appended the proposed amendments to our written testimony for your review.

The City Union of Baltimore represents city workers who work in the water and wastewater systems for Baltimore city, our members perform many duties for the City including supervising the operations and employees of the fresh water and wastewater plants, testing and treating fresh water to ensure it is safe for human consumption, testing and treating waste water to ensure it is environmentally safe and free of harmful contaminants. Other employees supervise and maintain the billing system in Baltimore City, generating revenue for the City. While others maintain the residential and commercial meter systems as well as the maintaining the above ground and underground utilities of the water system. These members not only have particular, valuable, front-line insights on the strengths and weaknesses of the current system, but also have a right to participate in larger conversations over decisions that may impact their work. Their representation on this workgroup is a must. Indeed, any changes to the terms and conditions of employment for these workers must, according to law, be bargained with the exclusive representative union.

Members of the committee, the proposed work of this workgroup must not be understated: the undertaking of a monumental task to re-envision how water, a fundamental human right, is fairly and equitably distributed to residents in both our city and Baltimore County, must not be taken lightly. This task must have ample input from the community members most impacted by

decisions being made, and include voices of those who are engaged in the day-to-day operations of the delivery and upkeep of our city's water system. Our amendments to the taskforce membership portion of the bill call for the mayor and the county executive to appoint at least one representative each from the union of City and County employees currently working for the water systems. In addition, the amendment calls for the workgroup to take privatization off the table, and only consider publicly operated and managed examples.

Again, we call for a favorable-with-amendments report on SB 1174. Thank you.

Proposed Amendments to SB 1174

On page 1

16 (iv) ~~five~~**six** members appointed by the Mayor of Baltimore City, **one of which must be a representative from a labor organization certified as the exclusive representative for city employees working in the water and wastewater utility;**

17 (v) ~~three~~**four** members appointed by the county executive of Baltimore County, **one of which must be a representative from a labor organization certified as the exclusive representative for county employees working in the water and wastewater utility;**

On page 2, insert

1 **(2) The labor representatives named in (1) (iv) and (1) (v) must not be from the same international union.**

2 ~~(2)~~ **(3)** Each member shall:

....

On page 4

After 13, insert

14 **(k) The Workgroup may not consider or make recommendations related to a privately operated or managed regional water governance model.**

4.1.24 - SB 1174 testimony FINAL.pdf

Uploaded by: David Wheaton

Position: FWA



**Written Testimony of David Wheaton
Economic Justice Law and Policy Fellow
NAACP Legal Defense and Educational Fund, Inc.**

**Submitted to the Education, Energy, and Environment Committee of
the Maryland State Senate
In Connection with the April 2, 2024 Hearing**

My name is David Wheaton, and I am an attorney with the NAACP Legal Defense and Educational Fund, Inc. (LDF). LDF offers the following testimony in favor of SB 1174 with amendments. Founded in 1940 by Thurgood Marshall, LDF is the nation's oldest civil rights law organization advocating for racial justice. SB 1174 would establish the Baltimore Regional Water Governance Model Workgroup to study the regional water governance approach in the Baltimore region. Baltimore City provides water and wastewater services to approximately 1.8 million people in Maryland, many of whom are Black and low-income. Unfortunately, aging infrastructure due to systemic underinvestment at the state and national level has led to continuing problems with management, water quality, and affordability.

We are pleased that SB 1174 instructs the new Model Workgroup to develop an equity analysis to analyze how the shift to a regional water governance model affects vulnerable residents. We have two amendments that we propose adding to strengthen the bill. First, we would like the legislation to specify that the equity analysis must include a disparate impact study examining the impact of regionalization on particular racial groups. Second, the legislation should require the working group to not only analyze the financial effect of any possible transition, but require the working group to develop a plan to adequately compensate for any losses.

While the Regional Task Force recommends that the working group study regionalization long term, regionalizing Baltimore's water system will not solve critical problems that exist within Baltimore's water and wastewater system and could exacerbate the harms suffered by Black

Baltimore residents. Efforts to regionalize water systems in other jurisdictions such as Detroit and Birmingham have hurt Black communities. The regionalization of Detroit's utility system also deepened regional water and sewer insecurity and racial inequities. Between 2014 and 2020, more than 141,000 households in Detroit had their water service disconnected for non-payment. These shutoffs disproportionately, if not almost exclusively, impacted Detroit's Black residents.

Regionalizing Baltimore's water system could also remove \$5.4 billion in capital assets¹—which represents 47% of the city's total capital assets—from city control. The Task Force report does not address how the city of Baltimore will be compensated for leasing its largest asset to a new entity, and there has been no effort to examine the economic feasibility of the city losing its largest asset. Removing such a large asset from the city could impact the bond ratings, future credit ratings, and have implications on the future financial health of the city.²

There are several questions that need to be answered by a new working group before it can recommend a regional authority governance model for the Baltimore water and wastewater systems. First, it must study the impact of a regional authority on low-income residents, who are disproportionately people of color. Will rates increase due to the transition cost? What measures will be taken to ensure that the most vulnerable residents do not suffer due to unaffordable water rates? The Task Force must also ensure that a regional authority makes fiscal sense for both Baltimore City and Baltimore County. The water and sewer systems are major assets that, if transferred out of their respective jurisdictions, could potentially have negative fiscal impacts.

Regionalizing Baltimore's water system is an incredibly important decision that will affect 1.8 million residents, many of whom are Black and low-income. Baltimore is already working to address a water affordability crisis which has had a disproportionate and detrimental impact on the City's Black neighborhoods.³ Hastily rushing to establish a new governance model without doing critical analyses on how a new model will affect Black and low-income residents risks disproportionately harming Black residents in Baltimore. We urge you to pass SB 1174 with amendments in order to ensure that the Task Force will consider these vital issues.

Thank you for the opportunity to testify.

¹ Baltimore City, MD, *Wastewater Utility Fund Financial Statements, June 30, 2021*, (February 15, 2022) at 4, [file:///C:/Users/dwheaton/Downloads/sewer%20\(1\).pdf](file:///C:/Users/dwheaton/Downloads/sewer%20(1).pdf); Baltimore City, MD, *Water Utility Fund Financial Statements, June 30, 2021*, (February 15, 2022) at 4, <file:///C:/Users/dwheaton/Downloads/water.pdf>

² Moody's Investor Services, *Rating Methodology: US Cities and Counties Methodology*, (November 2, 2022), <https://ratings.moody.com/api/rmc-documents/386953>

³ NAACP Legal Defense and Educational Fund, *Water/Color: A Study of Race & the Affordability Crisis in American Cities*, June 2019, https://www.naacpldf.org/wp-content/uploads/Water_Report_FULL_5_31_19_FINAL_OPT.pdf

SB 1174 - Baltimore Regional Water Governance Mode

Uploaded by: Donna Edwards

Position: FWA



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 1174 - Baltimore Regional Water Governance Model Workgroup - Established Senate Education, Energy, and the Environment Committee April 2, 2024

SUPPORT WITH AMENDMENT

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of SB 1174 with amendments. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

Access to clean, safe, and affordable drinking water is a human right recognized by the United Nations. Residents of the greater Baltimore region have worked hard to protect their water infrastructure from privatization and organize for lower bills.

This task force will issue recommendations that impact hundreds of thousands of families and thousands of workers employed by the water and wastewater systems in and around the city. It is essential that workers directly have a voice on this task force in order to provide their firsthand knowledge and input.

We encourage the committee to issue a favorable report with the following amendment.

Striking “.” on Page 1, Line 21 and substituting “; and”

Add the following language to Page 2, Line 1, moving all subsequent language down:

“(vii) two members representing water and wastewater workers, appointed by the Maryland State & DC AFL-CIO.”

Striking “10” from Page 2, Line 19 and substituting “12”

Amending the following language to Page 2, Line 9 to read, “(ii) represent ratepayers in their respective jurisdictions, unless otherwise stated in Section 1 (b) (1).”

Thank you.

SB1174_FWA_Food&WaterWatch_2023.pdf

Uploaded by: Jorge Aguilar

Position: FWA



1616 P Street, NW
Suite 300
Washington, DC 20036
T +202.683.2500
F +202.683.2501
foodandwaterwatch.org

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."

BaltimoreCounty_FWA_SB1174.pdf

Uploaded by: Lauren Buckler

Position: FWA



JOHN A. OLSZEWSKI, JR.

County Executive

JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

BILL NO.: SB 1174

TITLE: Baltimore Regional Water Governance Model Workgroup –
Established

SPONSOR: Senator McCray

COMMITTEE: Education, Energy, and the Environment

POSITION: **SUPPORT WITH AMENDMENTS**

DATE: April 2, 2024

Baltimore County **SUPPORTS WITH AMENDMENTS Senate Bill 1174 – Baltimore Regional Water Governance Model Workgroup – Established**, as the necessary next step toward developing an alternative governance model for water and wastewater in the greater Baltimore Metropolitan region.

During the 2023 Session, the Senate and House passed SB880/HB843 creating a Regional Task Force to begin looking at alternatives to the current structures of governance, capital and fiscal planning, and maintenance and operations of the drinking water and wastewater systems that serve some two million residents across the Baltimore region. That Task Force met over several months in 2023 and identified several threshold issues that require additional research and evaluation before the Task Force could make an informed set of recommendations.

SB 1174 would create a Work Group, with members appointed as they were under SB880/HB843 in 2023, to continue the important due diligence work needed to identify and implement a regional governance model that best fits the needs of all affected customers and jurisdictions. This Work Group was a key recommendation made in the report of the Baltimore Regional Water Governance Task Force submitted in accordance with Chapter 179 of the Acts of the General Assembly of 23 2023 to the General Assembly, the Governor, the Mayor of Baltimore City and the Baltimore County Executive in January this year.

The amendments we request are those worked on between Baltimore City and County delegation members, staff and leadership. As specified below, these amendments speak to concerns raised at the House hearing and solidify the County Executive’s position against privatization of existing City water and wastewater assets. Further, the amendments ensure that

City employees are represented on the Work Group as two of the Mayor’s five appointments and ensures that the Maryland Department of the Environment retain a consultative role in the ongoing work related to these critical systems.

Accordingly, Baltimore County requests a **FAVORABLE WITH AMENDMENTS** report on SB 1174 from the Senate Education, Energy, and the Environment Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs, at jaiosa@baltimorecountymd.gov.

Amendments requested to SB 1174, to conform with HB1509:

1. On Page 1, line 16, INSERT after “City”

“, including:

1. One member who represents the current workforce responsible for the operation and maintenance of the water distribution system; and
2. One member from a labor organization that is the exclusive representative for Baltimore City employees;”

2. On Page 4, line 13, INSERT after “Workgroup”

“ ;
(1)”

And, following “General” INSERT:

“and the Department of the Environment; and

(2) may not consider or make recommendations related to a privately operated regional water governance model.”

SB 1174 MDE SWA.pdf

Uploaded by: Les Knapp

Position: FWA



**The Maryland Department of the Environment
Secretary Serena McIlwain**

***Senate Bill 1174
Baltimore Regional Water Governance Model Workgroup – Established***

Position: Support with Amendments
Committee: Education, Energy, and the Environment
Date: April 2, 2024
From: Jeremy D. Baker

The Maryland Department of the Environment (MDE) **SUPPORTS SB 1174 WITH AMENDMENTS.**

Bill Summary

Senate Bill 1174 would establish the Baltimore Regional Water Governance Model Workgroup to review and analyze various topics related to regional governance models for water and wastewater in the Baltimore region. In consultation with the Office of the Attorney General (OAG), the workgroup must develop a report of its findings and, by June 30, 2027, submit the report to the Mayor of Baltimore City, the Baltimore County Executive, the Governor, and the General Assembly. Additionally, the Governor must include in the annual budget bill for fiscal 2026 an appropriation of \$500,000 to hire independent consultants to facilitate the work group's tasks.

Position Rationale

MDE is supportive of this legislation as it would continue the work accomplished through the Baltimore Regional Water Governance Task Force. Consistent with the Task Force language, MDE would like to be consulted in the development of the Workgroup's recommendations and report to provide subject matter expertise on the recommended regional water governance model.

Accordingly, MDE asks for a **FAVORABLE WITH AMENDMENTS** report for SB 1174.

Amendment

On Page 4, in line 13, after "General", insert "and the Maryland Department of the Environment".

SB 1174 AFT FWA (1).pdf

Uploaded by: Todd Reynolds

Position: FWA

**AFT-Maryland Written Testimony Submitted to the
Maryland Senate Education, Energy, and the Environment
SB 1174 – Baltimore Regional Water Governance Model Workgroup
April 2, 2024**

FAVORABLE-WITH-AMENDMENTS

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Senate Education, Energy, and the Environment Committee. AFT-Maryland is the state federation for a number of county and municipal employee unions, including the City Union of Baltimore (AFT Local 800) and the Baltimore County Federation of Public Employees (AFT Local 4883). Each of these unions are the exclusive representative for hundreds of public employees that could be potentially impacted by this legislation. We are calling for a favorable-with-amendments report from this committee for SB 1174, that would place two union seats, each representing an exclusive representative organization in the city and county. Additionally, we are calling for an amendment (in the same posture as the House version of this bill) that would limit the scope of the workgroup's study to only publicly run and managed, not privatized, options. The proposed amendments addressing our concerns are appended to our testimony.

Our concerns with this legislation can be summarized thusly:

- The workgroup created to study the future of the water utility in Baltimore has the potential to materially, perhaps drastically, change the terms and conditions of both the city and county employees who work in the current system.
- Both the city and county charter require changes to the terms and conditions of employment to be a mandatory subject of bargaining with each certified, legal exclusive representative for the impacted workers. (County Charter § 4-5-310; City Charter Article II. § 55). Failing to negotiate in good faith over these terms and conditions of employment would be, in both cases, an unfair labor practice.
- No one union is the exclusive representative for the hundreds of city and county employees that will be impacted by the recommendations of the workgroup. No one union can legally speak for the employees that work in the current system.

Because county and city employee voices should be made part of the studies, deliberations, and conversations about the future of the water and wastewater utilities in the city and county, and because any implemented changes must be negotiated with each exclusive representative, it only makes sense to have at least two union representatives, one from the city and one from the county, as permanent members of this workgroup.

Again, AFT-Maryland is calling for a favorable-with-amendments report to SB 1174.

Thank you.

Proposed amendments to SB 1174

On page 1

16 (iv) ~~five-six~~ members appointed by the Mayor of Baltimore City, **one of which must be a representative from a labor organization certified as the exclusive representative for city employees working in the water and wastewater utility;**

17 (v) ~~three-four~~ members appointed by the county executive of Baltimore County, **one of which must be a representative from a labor organization certified as the exclusive representative for county employees working in the water and wastewater utility;**

On page 2, insert

1 **(2) The labor representatives named in (1) (iv) and (1) (v) must not be from the same international union.**

2 ~~(2)~~ **(3)** Each member shall:

....

On page 4

After 13, insert

14 **(k) The Workgroup may not consider or make recommendations related to a privately operated or managed regional water governance model.**