



BILL HENRY
OFFICE OF THE COMPTROLLER

City Hall – Room 204
100 Holliday St Baltimore, MD 21202

March 12, 2024

The Honorable Mark Korman, Chairman
Environment and Transportation Committee
Maryland State House of Delegates
Room 251 House Office Building
Annapolis MD 21401

Dear Chair Korman, Vice Chair Boyce and Members of the Committee,

I am writing in **support** of House Bill (HB) 1509, “Baltimore Regional Water Governance Model Workgroup – Established.” HB 1509 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 2023 the Maryland General Assembly passed Senate Bill 880/House Bill 843 that established the Baltimore Regional Water Task Force (“Task Force”). The Task Force was charged with reviewing the relationship between Baltimore City and Baltimore County and other nearby counties, relative to water and sewer services and operations.

This 2023 legislation laid out a very specific list of responsibilities for the Task Force. The Task Force was charged with reviewing and evaluating the recommendations outlined in the 2021 Water/Sewer Services Comprehensive Business Process Review study ([NewGen Report](#)), as well as assessing other governance models, to see how potential changes would impact the management structure of operations, recruitment, training and retention of employees, billing and collections, capital improvements, emergency management, and rate stability to the 1.8 million residents served by Baltimore City water.

In addition, the Task Force was tasked with analyzing the fiscal implications and efficiencies of each alternative governance structure, including estimated short- and long-term costs, 10-year historical costs that each jurisdiction has paid to the utility, and cost-savings. Lastly the Task Force was to issue a final report of its [findings and recommendations](#) to the Mayor of Baltimore City Brandon M. Scott, the County Executive of Baltimore County John “Johnny O” Olszewski, Jr., Governor Wes Moore, Senate President Bill Ferguson, and Speaker of the House Adrienne Jones, on January 30, 2024, recommending the governance model best suited for water and wastewater systems in the Baltimore region and the necessary funding to establish the recommended model.

While the release of this final report was a crucial milestone signifying a pivotal moment in the history of cooperation between the City and the surrounding counties in their efforts to work together on water, wastewater and stormwater issues in the Baltimore region, the nine months the Task Force was allotted to complete their work was insufficient to the work that ultimately needs to be done.

The Task Force felt that a further, thorough evaluation of threshold issues was crucial before considering any regional governance structure. As a result, the Task Force recommended that the Maryland General



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Assembly pass legislation to establish a dedicated, professional working group, with sufficient resources, to research and evaluate the threshold issues involved in establishing an optimal regional governance structure.

The issues to be studied by this working group should include, but are not limited to, the following:

- **Equity:** Creation of an equity analysis to understand the impact of transition to a newly established authority on vulnerable residents in each jurisdiction, including recommended programming to support residents through actions associated with transition
- **Financial:** Development of a financial transition plan, including an analysis of the fiscal consequences of moving to an authority model for each jurisdiction, especially in terms of pension, benefit commitments and debt service.
- **Human Capital:** Evaluation of the potential workforce for a regional water authority, including the hiring of new employees and transition of existing City and County employees to a newly established authority model
- **Legal:** Assessment of any legal and legislative adjustments needed to transition to a regional water authority, including an analysis of changes needed to the City and County codes and charters
- **Operational:** Assessment of any administrative and operational adjustments needed to transition to a regional water authority, including a comprehensive examination and analysis of whether stormwater management should be included in the Authority's responsibilities
- **Rate Board:** Assess the necessity and feasibility of a City-County Rate Board, with the express purpose of bringing equity to consumers and addressing the current disparity between the current city and county rates.

As Chair of the Task Force, I would like to express my gratitude to Task Force member Delegate Stein for his dedication and diligence to our work. His input and insights were invaluable to the group. I would also like to thank Delegate Stein for following through on the Task Forces' recommendation that legislation be passed by the General Assembly to establish the critical working group that HB 1509 would enable.

For all these reasons, I respectfully request the committee to give HB 1509 a favorable report. If you have any questions, please feel free to contact Christine Griffin, my Deputy Director of Policy and Government Relations, via email at christine.griffin@baltimorecity.gov.

Sincerely,

Bill Henry
Baltimore City Comptroller