

Dear Baltimore Regional Water Task Force members,

We write this letter regarding the Baltimore Water Regional Task Force (Task Force). We are thankful that you have taken the privatization of the ownership of Baltimore's water system out of consideration by the Task Force. To ensure the work of the Task Force benefits the public well-being, we request that you (1) conduct racial and economic equity assessments; and (2) reject all forms of water and sewer privatization, including public-private partnership operations contracts.

(1) We urge you to direct the consultants to conduct racial and economic equity assessments for each governance model under consideration.

We are concerned that the Task Force will not properly study how changes in governance will affect Black residents of Baltimore, water affordability for residents, and the city of Baltimore's finances. Analyzing how a change in governance of the water and sewer system will affect Black residents, who make up over 60% of the city's population, and water affordability for all Baltimore residents is a responsible way to allocate city funds.

Baltimore's water affordability crisis has and will continue to have a disproportionate and detrimental impact on the city's Black neighborhoods. In 2020, water bills in Baltimore exceeded two percent of median income (which is the affordability threshold for water) in 131 of 200 census tracts—108 of which were majority-Black. Baltimore has addressed some of these issues with shutoff protections and special water affordability plans for low-income residents found in the 2018 Water Accountability and Equity Act. We implore that whatever governance model is chosen, it incorporates local water affordability laws and shutoff protections.

The consultants should perform a racial equity study of the governance model chosen. [Racial equity](#) develops goals and outcomes that will result in improvements for all groups, but the strategies are targeted based on the needs of a particular group. Given that water affordability, shutoffs, and water quality issues disproportionately affect Black Baltimore residents there is a need to ensure that a new governance model will not enhance any of these issues for Black Baltimore residents. The 2021 Water/Sewer Services Comprehensive Business Report, which the Task Force is compelled to review, has no mention of racial equity and makes little mention of water affordability. The consultants should perform or contract out the ability of a 3rd party to conduct a racial equity study for the benefit of Baltimore residents.¹

The racial equity analysis should be inclusive of the Detroit/ Great Lakes Regional Water Authority, as there is substantial research available about how Detroit's water regionalization deepened regional racial inequities. The analysis should also include a comprehensive rate analysis; an assessment of local ratepayer and labor protections established by local jurisdictions; the impact on Baltimore City's finances; and alternatives analysis of options other than a governance change can address the underlying problems of the water and sewer

¹ There are several non profit organizations, consultants, and law firms that have the ability to perform racial equity studies if the consultants that have been hired do not have the expertise in that field.

system, such as how to address staffing shortfalls and equity in allocation of state and federal funding to the water and sewer system.

(2) We urge you to take all forms of water privatization off the table, including public private partnerships.

While Mayor Bradon Scott and County Executive Johnny Olszewski have indicated a desire to protect public ownership of the utility system in an opinion piece for the *Baltimore Sun*, and this is a good first step, a stronger commitment is necessary to protect the people of Baltimore from the harms of privatization. The Task Force must take all forms of water privatization off the table and reject any type of private management and operations contract, which are also called public-private partnerships.

In these public-private partnership privatization contracts, water corporations run or manage various parts of a utility system or treatment plant, and because of their fee structure, they have a financial incentive to cut costs to drive up their profits. When private operators attempt to cut costs, practices they employ can result in worse service quality. They may use shoddy construction materials, delay needed maintenance, or downsize the workforce. On average, one in three water worker jobs are lost after privatization through a public-private partnership because of downsizing and attrition. These strategies can impair customer service and slow responses to emergencies. Such neglect can hasten equipment breakdowns and allow water system assets to deteriorate.

A public statement against water privatization is insufficient. The Task Force must explicitly write into its report and findings that there will be continued public ownership, management and operation of the systems and treatment plants with strong protections for union workers and jobs. This would send a strong message that Baltimore's water system is and should remain controlled by the people of Baltimore who have paid into that system since 1854.

Rapidly rushing to establish a new governance model without strong protections against all forms of privatization and doing critical analyses on how a new model will affect Black residents and low-income ratepayers' risks undermining progress and creating even greater disparities. Solving the problems confronting the Baltimore region's water system requires thoughtful analysis that examines multiple alternatives and weighs the various costs and benefits. Issues such as racial equity, the fiscal health of Baltimore City and Baltimore County, water affordability, and the environment must be reviewed thoroughly before a new governance model is chosen.

Sincerely,

Baltimore Right to Water Coalition