



Baltimore City
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Inspector General
100 N Holliday St., Ste 635
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Kelly B. Madigan
Inspector General
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December 8, 2020

Mayor Brandon M. Scott
City Hall, Room 250
100 N. Holliday Street
Baltimore, MD 21202

County Executive John A. Olszewski, Jr.
Historic Courthouse
400 Washington Avenue
Towson, MD 21204

RE: Baltimore City OIG Case #20-0040-I
Baltimore County OIG Case #20-018

Dear Mayor Scott and County Executive Olszewski,

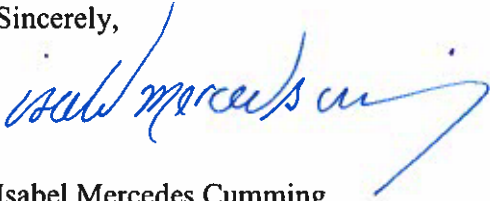
In March 2020, the Baltimore City Office of the Inspector General (OIG) and the Baltimore County OIG received a complaint about inaccurate water bills affecting Baltimore City and Baltimore County residents and businesses. In response, the OIGs initiated a joint investigation into aspects of the City's water billing system. As a result of this investigation, the OIGs are publishing this joint report, which is intended to give an overview of the City's water billing system and the various issues affecting it. While the OIGs found the issues highlighted in this report constitute waste, the exact amount of waste is difficult to quantify due to the complexities associated with the water billing system. One of these complexities is a cost sharing arrangement between the City and the County. The OIGs estimate that the issues discussed in this report have cost the City and the County millions of dollars in lost water and sewer revenues. Such waste has significant financial implications on the operations and budgets of the two jurisdictions.

As detailed in the report, there are two significant findings concerning the City's water billing system that need to be addressed. First, there are thousands of digital water meters in the City and the County that are not fully functional. Second, there are more than 8,000 open "tickets" pertaining to County water accounts that have not been addressed by the City to the satisfaction of the County. This report also highlights the fact that the City and the County have awarded over \$133 million in contracts since late 2011 for the purpose of enhancing the water system. Despite the contract awards, major deficiencies persist; and consequently, the City and the County are losing millions of dollars.

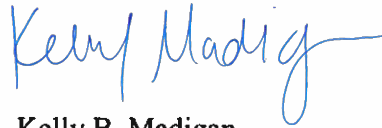
The OIGs determined a fundamental lack of communication between the City and the County is central to the problems that have been plaguing the water billing system for years. The OIGs recommend a more comprehensive and coordinated approach by the two jurisdictions going forward to properly address these issues.

This matter is being referred to each of you for official review and comment. Should you wish, please respond in writing by December 14, 2020 indicating what action has been taken, or what action you intend to take regarding this matter. There will be a joint press conference to put forth these findings to the public. We invite you both to join us at the press conference to discuss this report.

Sincerely,



Isabel Mercedes Cumming
Inspector General, Baltimore City



Kelly B. Madigan
Inspector General, Baltimore County

cc: Dana P. Moore, Acting City Solicitor
Matthew Garbark, Acting Director, Baltimore City Department of Public Works
Stacy L. Rodgers, County Administrative Officer
Patrick H. Murray, Chief of Staff
James R. Benjamin, Jr., County Attorney
D'Andrea Walker, Acting Director, Baltimore County Department of Public Works
Bobbie Rodriguez, Chief, Metropolitan District Financing and Petitions Office



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CONFIDENTIAL
REPORT OF INVESTIGATION

Date of Report: December 8, 2020
Baltimore City OIG Case #20-0040-I
Baltimore County OIG Case #20-018

EXECUTIVE SUMMARY

The missions of the Baltimore City Office of the Inspector General and the Baltimore County Office of the Inspector General (hereafter collectively “the OIGs”) are to provide increased accountability and oversight in the operations of the Baltimore City government (hereafter “the City”) and the Baltimore County government (hereafter “the County”) respectively by identifying fraud, waste, and misconduct while also promoting efficiency, accountability, and integrity.

In March 2020, the OIGs received a complaint about inaccurate water bills affecting Baltimore City and Baltimore County residents and businesses. In response, the OIGs initiated a joint investigation into aspects of the City’s water billing system.¹ The investigation included numerous witness interviews; hundreds of hours of data analysis; and a review of City, County, and third party documents, to include contractual agreements, consultant reports, and audit findings. As a result of this investigation, the OIGs are publishing this joint report, which is intended to give an overview of the City’s water billing system and the various issues affecting it. While the OIGs found the issues highlighted in this report constitute waste, the exact amount of waste is difficult to quantify due to the complexities associated with the water billing system. One of these complexities is a cost sharing arrangement between the City and the County. The OIGs estimate that the issues discussed in this report have cost the City and the County millions of dollars in lost water and sewer revenues over the course of several years.

There are two significant findings concerning the City’s water billing system that need to be addressed. First, there are thousands of digital water meters in the City and the County that are not fully functional. Second, there are more than 8,000 open “tickets” pertaining to County water accounts that have not been addressed by the City to the satisfaction of the County. This report also highlights the fact that the City and the County have awarded over \$133 million in contracts since late 2011 for the purpose of enhancing the water system. Despite the contract awards, major deficiencies persist; and consequently, the City and the County are losing millions of dollars.

The OIGs determined a fundamental lack of communication between the City and the County is central to the problems that have been plaguing the water billing system for years. The OIGs recommend a more comprehensive and coordinated approach by the two jurisdictions going forward to properly address these issues.

¹ For purposes of this report, references to “water billing system” include the installation of meters, maintenance of meters, reading of meters, billing of customers, and resolving meter and billing-related complaints.

HISTORY OF THE RELATIONSHIP BETWEEN THE CITY AND THE COUNTY

Legal Relationship

The formal relationship between the City and the County for providing water and wastewater treatment to its residents dates back to 1918 when the City extended its geographical border to its present boundaries by annexing parts of the County.² In 1922, the General Assembly legislated that the County could connect into the City's water mains, at the County's expense, to provide water and wastewater service to communities in the County adjacent to the City line.³ The City charged the County the actual cost of delivering the water to connection points and the actual cost of water purification, plus a five percent mark-up based on costs determined by the Maryland Public Service Commission.⁴

In 1924, the General Assembly passed the Metropolitan District Act, which created a geographic boundary within the County where property was eligible to receive public water service from the City.⁵ The City was required to extend water supply lines into the County as requested, at cost including overhead,⁶ with the City in charge of billing with the approval of the Maryland Public Service Commission.⁷

In 1945, the Metropolitan District Act was then repealed and replaced with amendments that stated “[t]he Mayor and City Council of Baltimore shall furnish water to the Metropolitan District of Baltimore County at cost and entirely without profit or loss. The [County] Commissioners and the Mayor and City Council of Baltimore shall, from time to time, determine by agreement, if possible, the costs to Baltimore City of furnishing water to consumers in the Metropolitan District of Baltimore County.”⁸

This relationship between the City and the County, which had been statutorily created by the Metropolitan District Act, was formalized on September 20, 1972 in a signed Cost Allocation Agreement (“the Agreement”) between the City and the County. The Agreement established that the County would pay the City “its proportionate share of all expenses resulting from the operation, maintenance and administration of the Raw Water Facilities, the Treatment Facilities, and the Filtered Water Facilities that constitute the Baltimore Water System.”⁹ The Agreement established a system to pay these costs called the Cost Allocation Model (CAM). The CAM is used to calculate what the County and other jurisdictions should reimburse the City for costs incurred by the City in the capital investment, operation, maintenance, and management of providing water to them.¹⁰ Under the CAM, each jurisdiction is responsible for its

² *Baltimore Cnty. v. Mayor and City Council of Baltimore*, 329 Md. 692, 695 (1993). See generally Joseph L. Arnold, *Suburban Growth and Municipal Annexation in Baltimore, 1745-1918*, 73 MD. HIST. MAG., no. 2, June 1978, at 109, https://msa.maryland.gov/megafile/msa/speccol/sc5300/sc5339/000097/000000/000018/restricted/msa_sc_5458_51_1208_2.pdf.

³ Act of April 13th, 1922, vol. 563, ch. 526, 1922 Md. Laws 1505. A copy of the 1922 Act is attached as **Exhibit 1**.

⁴ *Baltimore Cnty.*, 329 Md. at 695.

⁵ Metropolitan District Act of 1924, vol. 568, ch. 539, sec. 1, 1924 Md. Laws 1315. A copy of the Metropolitan District Act of 1924 is attached as **Exhibit 2**.

⁶ *Baltimore Cnty.*, 329 Md. at 695; Metropolitan District Act, vol. 568, ch. 539, sec. 6, at 1322.

⁷ *Id.* at 695; Metropolitan District Act, vol. 568, ch. 539, sec. 1, at 1315.

⁸ Act of May 4, 1945, vol. 589, ch. 1018, sec. 4, 1945 Md. Laws 1774, 1779. A copy of the 1945 Act is attached as **Exhibit 3**.

⁹ Article VII of the 1972 Agreement. A copy of the 1972 Agreement is attached as **Exhibit 4**.

¹⁰ The City also provides water to Anne Arundel County and Howard County, however, the County is the largest “customer” in that it uses approximately 42% of all of the water supplied by the City.

portion of the aforementioned costs as determined by the percentage of each jurisdiction's actual water usage.

In summary, the relationship between the City and the County with respect to water is that the City provides water to the County at cost, and the two jurisdictions share in the costs associated with the production and use of water.

Physical Relationship

In Baltimore's early history, the County was sparsely populated and the City was able to meet its water needs by drawing water from the Jones Falls and local springs. As the population increased, the City built dams creating Lake Roland and drew more water from the Gunpowder River. As Baltimore's population continued to grow in the latter 19th century, the City required more water for residents and businesses.

In 1881, the City purchased County land and constructed its first dam across the Gunpowder River, creating the reservoir in the County known as Loch Raven. In 1914, the City purchased more property and businesses around Loch Raven, dislocating several whole towns, in order to build a larger dam, thus expanding the Loch Raven Reservoir to what today holds 23 billion gallons of freshwater. Further upstream from Loch Raven is the Prettyboy Reservoir. In 1932, the Prettyboy Reservoir was created by purchasing the surrounding property and constructing a second dam across the Gunpowder River. Today, the Prettyboy Reservoir acts as an upstream reserve for Loch Raven and holds approximately 19 billion gallons of water. The largest and most recent of the Baltimore reservoirs is the Liberty Reservoir. In 1951, Baltimore City created Liberty Reservoir by building a dam across the Patapsco River. Today, it holds about 43 billion gallons of water. Even though these three reservoirs are located in the County, the City owns these reservoirs, the surrounding land, and the infrastructure that brings the fresh water to the City for treatment.

The City operates three water filtration plants called Montebello I, Montebello II, and Ashburton.¹¹ The water from Loch Raven is transferred to the Montebello filtration plants by a 12-foot wide tunnel nearly seven miles long. In times of drought, water from Loch Raven is supplemented with water from the Susquehanna River, sent by the Deer Creek Pumping Station. Water from the Liberty Reservoir is brought to the Ashburton Filtration Plant. The water from these filtration plants is then delivered to customers throughout the City and the County through 1,500 and 2,108 miles of water mains respectively.

The City operates two wastewater treatment plants (WWTP), the Back River WWTP and Patapsco WWTP, both of which provide treatment to wastewater from the City and the County.¹² The City operates 18 wastewater pumping stations and 1,400 miles of sanitary sewer mains. The County operates 117 wastewater pumping stations and 3,151 miles of sewer mains.

¹¹ The County operates four small drinking water plants which service relatively small communities. The largest of these is the Sunnybrook plant which services 110 residential connections.

¹² The County operates one small wastewater treatment plant called Richlyn Manor which services 284 residential connections.

Financial Relationship

As established by the General Assembly and the Agreement referenced earlier in this report, the City supplies water to the County at cost, with no profit applied. Because the City is responsible for the overall operation and maintenance of the system, this cost includes expenses related to maintaining the infrastructure, reading meters, performing repairs, and issuing bills to City and County customers for all water-related charges. At the end of each calendar year, the City and the County use the previously referenced CAM to determine how much money the County owes the City in what is commonly referred to as the annual “true-up.”

While there are minor nuances in the CAM related to the assignment of costs, nearly all costs are allocated based on the amount of water used by each jurisdiction. In 2019, the cost for all water production and system maintenance was approximately \$112,264,051.00, and it was portioned as follows: 52.60% to the City, 41.03% to the County, and the balance of 6.37% assigned to Howard and Anne Arundel counties. The generic formula for the CAM is illustrated below:

COST OF ALL WATER PRODUCTION & SYSTEM MAINTENANCE	X	JURISDICTION’S PERCENTAGE OF WATER USAGE	–	WATER REVENUES COLLECTED PER JURISDICTION	=	YEARLY TRUE-UP ¹³
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As can be seen above, the collection of water revenues by the City has a direct impact on the yearly CAM computation.

METERS

Between the City and the County, there are over 400,000 water meters. More than half of these meters are located in the County. The City is responsible for the maintenance of all the meters, regardless of their jurisdictional location. These meters are an integral part of the billing process as they measure the volume of water used by the customers, which include residential properties, commercial buildings, manufacturing and industrial facilities, government buildings, and hospitals. The volume or “usage” measurements are then used by the City to generate water bills for customers in the City and the County. In addition, the County uses the water consumption data to calculate sewer fees for its residents on an annual basis as described in more detail later in this report.

Prior to 2014, the City and the County used water meters that recorded and stored data mechanically. These “old” meters were located in underground meter vaults made of concrete, mostly located near driveways, walkways, and lawns. The meter vaults were covered by cast iron lids. In order to collect data from these meters, City employees would physically go to the meters in the City and the County, open the lids, and read the meter dial which resembled an odometer. The employees would then provide the meter reading data in hardcopy form to the City’s billing department so bills could be calculated.

¹³ This is a very basic explanation of the CAM. Other factors that may affect the CAM are depreciation, interest, and other water-related expenses.

In the fall of 2014, the City deployed the BaltiMeter project through its Department of Public Works (DPW). Under the BaltiMeter project, the City upgraded and/or replaced the mechanical meters in the City and the County with electronic “smart” meters.¹⁴ The conversion, which was subcontracted to Itron, Inc. (hereafter “Itron”), took place over several years. At the conclusion of the BaltiMeter project, the vast majority of the meters in the City and the County had been upgraded to the new digital technology.¹⁵ The purpose of the conversion was to make the reading of the meters more efficient, and to ultimately improve the accuracy of water bills in the City and the County, and by extension, the accuracy of the County’s sewer bills.

These new electronic water meters installed by Itron were housed in the same concrete vaults where the old meters had been located with a few modifications. For example, the cast iron lids were replaced with lids made of a composite material capable of allowing wireless transmissions. Also, Electronic Read Transmitters (ERT) were attached to the underside of the new lids and connected by wires to the updated meters. These ERTs are what facilitates the wireless transmission of the water usage data to the City billing system.

All of the new electronic water meters installed by Itron are capable of wirelessly transmitting water usage data using technologies which are further described below. The meters can also be read, if necessary, like the old meters by opening the meter vault and reading the dial.

All of the meters in the City and a relatively small percentage of the meters in the County¹⁶ use Advanced Metering Infrastructure (AMI) to wirelessly relay water usage data from the ERTs directly to the City’s billing system. This technology uses a grid system with receivers, typically placed on structures such as telephone poles or buildings, including public schools, to relay the signals from the meters to a central building location in the City. A second location in the City is used as a backup site.

The majority of the meters in the County use Automated Meter Reading (AMR) technology that utilizes mobile collection devices (hereafter “collectors”) to read the meters. A mobile collection device involves a City employee driving near the water meters in a vehicle equipped with a special computer and a radio receiver to wirelessly collect the water usage data so it can be uploaded to the City’s billing system.

In order for any public water system to be self-sustaining, it must provide accurate and timely billing to its customers. To do this, the meters that collect the water usage data must be fully operational and provide accurate readings. Of the total number of “new” meters installed pursuant to the BaltiMeter project, there are more than 14,000 meters in the City and 8,000 meters in the County which have some type of operational issue. Many of these 22,000 meters are producing usage reads of zero (hereafter “zero reads”) as described in more detail in the Billing section of this report. These malfunctioning meters are costing the City and the County millions of dollars in lost water and sewer revenues because they are not accurately measuring water consumption. Consequently, these meters are also directly impacting the

¹⁴ It is estimated that there are over 1,000 meters in the City and over 700 in the County which are still being read manually because they were never upgraded.

¹⁵ In some instances due to budget constraints, only the register (i.e. the dial that shows consumption) was upgraded to an electronic version while the internal mechanics of the meter were left unchanged. This mainly occurred with meters in the County greater than 3” as they were the last type of meters to be replaced as part of the BaltiMeter project.

¹⁶ These customers are mostly located in the southeast portion of the County.

yearly CAM computation that determines how much money the County owes the City for its portion of the overall operation and maintenance of the water system.

The primary reason most of the 22,000 aforementioned meters are not working as designed is because of issues with the ERT components. Specifically, the ERTs are not functioning due to loose, corroded, or disconnected wires, or because ERT transmissions are being interrupted. Such interruptions can occur because of topography-related factors, ERTs falling into the meter vaults due to faulty clips, the continued use of cast iron lids in some instances, vehicles being parked over top of meter vaults, and power outages at buildings which house receivers.¹⁷ Other reasons for meter malfunctions include the following: mechanical issues, water in the meter units, human error during the programming of the meters, eroding magnets on top of the meters, improper installation of meters by City employees, and difficulties with locating meters due to a convoluted, flawed mapping system.

BILLING

City-Related Billings

The City's DPW Customer Support and Services Division (CSSD) oversees the meter and billing systems for all filtered water usage in the City and the County, and wastewater in the City. The County oversees its own wastewater billing system as described later in this report. The CSSD can loosely be divided into the Billing Section and the Customer Support Section, with dedicated teams for both the City and the County. CSSD consists of approximately 110 City employees who are structured under a Division Chief. During the past seven years, CSSD has had six different Division Chiefs. There is also a Meter Shop staffed with City employees who until recently, installed meters in the City and the County, serviced those meters, performed manual reads on AMI and AMR meters as needed, and served as "collectors" for AMR meters. Recent changes to the Meter Shop are addressed in a subsequent section of this report.

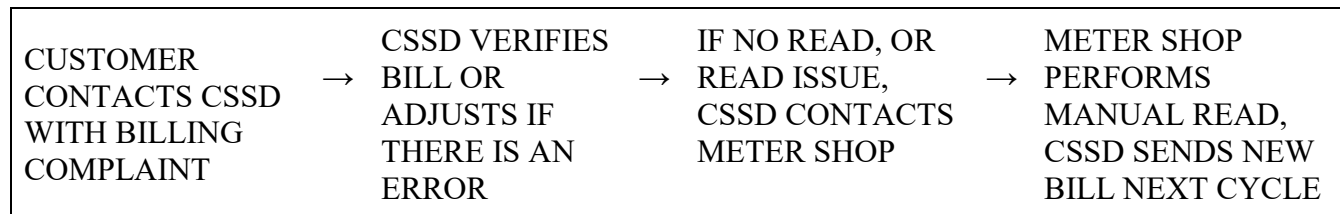
The City is responsible for billing both City and County customers for water. The City bills approximately 200,000 City accounts on a monthly cycle and approximately 207,000 County accounts on a quarterly cycle. One of the main components of the City and the County water bills are water usage charges, which are determined by a set volumetric rate¹⁸ for every 100 cubic feet of consumption as determined by the AMI and AMR technology systems. City customers are also charged sewer fees, a flat infrastructure fee based on meter size, and an account management fee.

With both the AMI and AMR technologies, the collected water usage data is loaded into Itron's MV-RS system which is used to truncate the full meter dial readings to the appropriate number of digits for billing purposes. This data is then used by the City's UMAX Customer Information and Billing System (hereafter "UMAX") and the Legacy Mainframe System (hereafter "Legacy") to produce bills for City and County customers respectively. A software program called Choice Connect is used to analyze the data from the AMI readings. If there is an error associated with the AMI or AMR collected data, or if there is a billing-related customer complaint, an exception report is generated by either UMAX or Legacy. A CSSD employee then manually reviews the exception report and adjusts the bill as needed. If there is

¹⁷ Some receivers are housed on City public schools. Because of COVID-19, the power to some of these schools has been turned off, and this in turn directly impacts the ability for the receivers to transmit data from the ERTs to the City billing system.

¹⁸ The volumetric rate for water as of July 1, 2020 is \$3.30.

a meter-specific issue, a work order is created in the Cityworks system, and a Meter Shop technician is dispatched to manually read the meter. The manual read is then used to calculate a new water bill in the next billing cycle. CSSD receives approximately 5,000 complaint calls per month from the City and the County. An illustration of the CSSD process flow is as follows:



County-Related Billings

As explained in the legal history section of this report, the Baltimore County Metropolitan District (hereafter “Metro District”) is a geographic area within the County where properties may be eligible to receive public water and wastewater service. A copy of a map of the Metro District is attached to this report as **Exhibit 5**. The Metro District is a self-sustaining enterprise fund that is not part of the County’s operating and capital budget. As of November 10, 2020, the Metro District had approximately 207,000 active meters. Included in this total are approximately 195,000 residential accounts, 12,000 commercial accounts, and 60 industrial accounts.

On an annual basis, the County directly bills residents located in the Metro District for wastewater-related services. These annual charges are incorporated into the July 1st property tax bills. The fees primarily include: sewer service fees that are based on water consumption figures supplied by the City, water distribution fees that are flat fees based on the size of the meters servicing the properties, and water and sewer benefit assessments that are levied on certain properties over a 40-year period.

The County’s Metropolitan District Financing and Petitions Office (hereafter “Metro Office”) handles the computations for the wastewater-related charges. There are approximately 15 employees at the Metro Office whose duties and responsibilities include assessing and billing the properties within the Metro District, responding to customer inquiries, troubleshooting billing problems, performing field inspections, and proactively identifying issues through the analysis of water consumption data supplied by the City.

Billing-Related Issues

Between December 2017 and March 2019, the County periodically sent emails to the City listing multiple County accounts that had been identified by the Metro Office as having meter-related problems. Under this old system, each email from the County produced multiple “tickets” that needed to be addressed by the City.

Since March 2019 pursuant to a new City policy, the County has been sending one email to the City each time there is an account-related issue; thus, creating one “ticket” to be followed up on by the City per email. A copy of the email is retained in the Metro Office’s computer system and associated with the problem account. Per this process, the City is supposed to respond to the email outlining the resolution.

The City's response is supposed to be reviewed by the Metro Office staff, and if the issue is sufficiently resolved, the ticket is to be closed.

Since December 6, 2017, the Metro Office has generated 11,747 tickets to the City for account-related issues, most of which concerned zero reads. As of November 29, 2020, 8,650 tickets, or approximately 74% of the total tickets generated by the Metro Office, were still open. If a ticket is still open, it is because the Metro Office has yet to receive sufficient evidence from the City that the matter has been adequately addressed. Some of these tickets have been open for extended periods of time. It is estimated that of the 8,650 open tickets, 8,195 of them have been open for over a year. Some of the tickets have been open for almost three years. During the investigation, it was learned that the Acting Director of the City's DPW, who has been overseeing the agency since February 2020, and a former long-time Deputy Director with the City's DPW, were unaware of the 8,650 open tickets until the matter was brought to their attention pursuant to this investigation. These open tickets are a form of waste in that they directly translate into millions of dollars in unbilled or under-billed water and sewer fees for both the City and the County.

Another billing-related issue concerns water bypass valves, which are located in meter vaults. Bypass valves are typically installed on larger meters so when maintenance needs to be performed on the meters, it can be done without shutting off the water supply to the customers. In a number of instances, meters associated with newly developed properties were accidentally left on bypass at the conclusion of the project and therefore, the meters at these properties produced zero or minimal reads for extended periods of time. For example, a condominium development project called Stone Cliff in the County had a meter installed in 2005 that was left on bypass until it was discovered by the County in August 2019. It is estimated that this error resulted in a conservative loss of approximately \$386,000 in revenues to the County. In other instances, meters were left on bypass by City workers after maintenance was performed on the meters. The City used to have dedicated inspectors to ensure that bypass valves were not inadvertently left open or fraudulently activated. However, the City eliminated these positions within the past five years as part of a cost-cutting effort.

Another common billing issue involves the listing of duplicate meters in the billing system. This can occur when an ERT is repurposed, that is, transferred from one meter to another, and the information associated with the ERT is not updated in the billing system. When that occurs, the ERT continues to provide usage readings associated with the old location; thus, it leads to the underreporting of water usage for these accounts. This is yet another example of unrealized revenues. To date, Itron, as part of its contract, has found approximately 100 duplicate meters in the City's billing system.

DISRUPTION IN THE CITY'S DPW METER SHOP

In March 2020, all 63 employees in the City's DPW Meter Shop were placed on paid leave due to COVID-19 precautions. Since that time, 18 employees have been brought back to work. Of these employees, only 11 of them have the training and ability to handle meter-related tasks, to include reading meters. In addition, soon after the COVID-19 safety measures were implemented, all of the meter shop vehicles except for one were loaned to other agencies by the former DPW Utility Program Manager because they were not being utilized. Therefore, as of the date of this report, there are only 11 employees, with access to one vehicle, who are available to install meters, repair meters, and to perform manual reads.

As previously mentioned in this report, there are more than 14,000 meters in the City that have some type of operational issue.

In early October 2020, City Mayor Bernard C. “Jack” Young announced that he intended to lay off all of the City’s DPW Meter Shop employees as part of an outsourcing to Itron of the meter reading, small meter installation, and meter maintenance functions in the City and the County. As of the date of this report, the City has still not entered into such a contract. By contrast, the County entered into an emergency six-month contract with Itron in October 2020 to perform the AMR reads on the meters in the County.

THE CITY WATER AUDIT

In early 2020, the City began an audit of UMAX. The audit was prompted when City officials learned the Ritz Carlton Residences had not been billed by the City for approximately \$2.3 million in water consumption bills since a water meter was installed in 2007. The scope of the City’s audit involved reviewing numerous addresses that did not have active water accounts and certain accounts that had never been billed by the City. During the course of the audit, it was reported in the news that there were other large properties in the City, similar to the Ritz Carlton Residences, which had not been sent water bills for extended periods of time. Two of the properties were a Johns Hopkins medical campus and a chemical plant operated by W.R. Grace.¹⁹ These two entities owed the City approximately \$4.2 million and \$2.0 million respectively in water fees.²⁰ The audit was temporarily suspended for several months because of COVID-19. In August 2020, the audit resumed, however, the work was outsourced to a consulting firm called Raftelis.

In November 2020, Raftelis issued a report which identified 175 City addresses that did not have a corresponding billing account in UMAX. The report also identified 84 City accounts that had never received water bills. However, the majority of the 84 properties were associated with condemned or demolished buildings.²¹ Raftelis also identified a small number of addresses that require more research to determine if there is a water meter and billing account associated with the property. Raftelis also reviewed 100 County commercial properties which had been identified as having both meter and billing-related issues. Of these 100 properties, 94 were field investigated. Of the investigated properties, 73 were found to have a meter with a proper identification number. Raftelis was unable to properly identify the remaining 21 properties for a variety of reasons, to include water or debris in the meter vaults, meters with no identification numbers, and meters that could not be located. While the Raftelis report highlighted several problems that exist with the City’s water billing system, it is important to note that Raftelis, as per its contract, only focused on locating meters and associated billing accounts, not testing meters for proper functioning or fixing meters.

WATER BILLING SYSTEM CONTRACT AWARDS

Since late 2011, the City and the County have awarded a considerable amount of contracts to upgrade and/or analyze the water billing system with the intent of making the system more accurate and efficient, thereby saving the City and the County money over the long-term. While the OIGs are not

¹⁹ First reported by Mark Reutter at the Baltimore Brew on February 28, 2020.

²⁰ Several entities identified asserted that they attempted to contact the City on multiple occasions about the billing issue.

²¹ Such properties should only be billed for stormwater fees, not water and wastewater fees.

questioning the work performed by the contractors and consultants, or their related billings under the contracts, there is a concern that the issues highlighted in this report are ongoing in spite of the City and the County’s award of over \$133 million in contracts as outlined in the chart below.

One of the contracts listed in the chart is a \$420,000.00 award by the County to Baker Tilly Virchow Krause LLP (hereafter “Baker Tilly”) in May 2018 to perform a comprehensive review of the City’s water billing and operations system. At the conclusion of its review, Baker Tilly produced a draft report which identified numerous weaknesses in the City’s water billing system, prioritized those weaknesses, and recommended solutions to address them. The County shared this draft report with the former head of the City’s DPW for feedback; however, this official never provided a response to the report. Therefore, the report was never finalized by Baker Tilly. Thus, this \$420,000.00 is yet another form of waste.

The following is a summary of the major contracts awarded related to the water billing system:

Date of Contract	Vendor	Jurisdiction	Amount	Scope of Work
Dec 2011	Raftelis	City	\$3,000,000.00	Utility cost of services, rates, and financial consulting services
Nov 2013	Itron	City	\$83,516,633.80	Installation and upgrade of meters in the City and the County
Oct 2014	Itineris	City	\$8,404,016.00	Upgrade of City’s billing system to UMAX ²²
Aug 2015	Itron	City	\$400,000.00	Electronic Read Transmitters (ERT) equipment, accessories, and repair parts
March 2016	UWS, Inc.	City	\$292,138.50	Large water meter testing, repair, and replacement services
March 2016	Itineris	City	\$2,337,849.36	Amendment to the UMAX contract
Oct 2016	Itineris	City	\$6,023,756.25	Amendment to the UMAX contract
Oct 2016	Itron	County	\$24,986.60	Contract for Automated Meter Reading (AMR)
Dec 2016	Itron	County	\$1,034,208.67	Contract for Automated Meter Reading (AMR)
April 2017	UWS, Inc.	City	\$1,500,000.00	Renewal of March 2016 contract for large water meter testing, repair, and replacement services
June 2017	L/B Water Service, Neptune Technology Group, and Mueller Systems	City	\$10,000,000.00	Supply water meters for Groups 1-3 and 5

²² While both the City and the County paid for this billing upgrade, only the City’s billing system was upgraded from the Legacy Mainframe system to UMAX. County residents are billed using the Legacy system. This is problematic because not every CSSD employee knows how to operate the Legacy system.

July 2017	Raftelis	City	\$12,000.00	Review of CSSD to include organizational structure, processes and procedures ²³
Jan 2018	L/B Water Service	City	\$1,500,000.00	Supply water meters for Group 4
April 2018	Itron	County	\$1,060,063.89	Contract for Automated Meter Reading (AMR)
May 2018	Baker Tilly	County	\$420,000.00	Master Agreement with Baltimore County for financial and performance analysis of Baltimore City Department of Public Works water billing and operations
July 2018	Itineris	City	\$5,381,922.78	Increase to the UMAX contract
Aug 2018	Itron	City	\$400,000.00	First renewal of August 2015 contract for ERT equipment, accessories, and repair parts
Sept 2018	Vanguard Utility Service	City	\$500,000.00	Large water meter testing, repair, and replacement services
Sept 2019	Itron	City	\$400,000.00	Second renewal of August 2015 contract for ERT equipment, accessories, and repair parts
March 2020	NewGen	County	\$845,500.00	Evaluate and review existing contracts and overall water operations between the City and the County
March 2020	RouteSmart Technologies	City	\$194,123.00	Provide software and support services to facilitate the rerouting of services for approximately 407,000 water meter locations
July 2020	Vanguard Utility Service	City	\$1,000,000.00	Large water meter testing, repair, and replacement services
Aug 2020	Itineris	City	\$4,455,893.50	Increase to the UMAX contract
Aug 2020	Raftelis	City	\$96,000.00	Complete the UMAX audit which had been started by the City
Oct 2020	Itron	County	\$782,999.23	Emergency contract with the County for six months of meter reading at a schedule of 210,000 meters per month
Total City Contracts			\$129,414,333.19	
Total County Contracts			\$4,167,758.39	
Total Contracts			\$133,582,091.58	

²³ This review was ended by the CSSD Chief two weeks after it began. No stated reason was given.

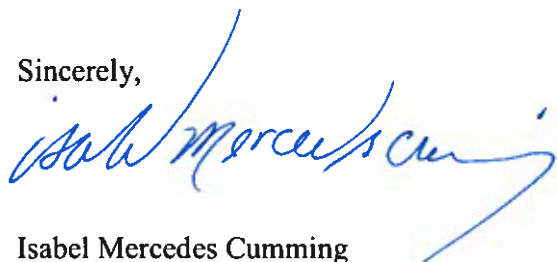
CONCLUSION

Since late 2011, the City and the County have spent a substantial amount of money to make improvements to the water billing system with the intent of making the City and the County's water and sewer bills more accurate and reliable. Despite this investment, the OIGs found there remain significant findings with the City's water billing system which are costing the City and the County millions of dollars in revenues. The findings include 22,000 digital water meters that are not fully functional and 8,650 open tickets related to County accounts that have not been addressed and/or resolved by the City. The OIGs determined a fundamental lack of communication between the City and the County, an absence of uniformity in the systems used by the two jurisdictions, and a general lack of accountability have resulted in this waste. The frequent turnover of leadership within CSSD has contributed to these problems. The OIGs recommend strong communication and a coordinated approach by the two jurisdictions going forward to resolve these issues.

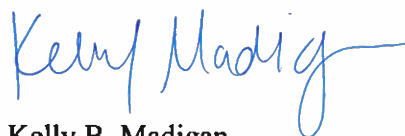
EXHIBITS

1. 1922 Act
2. 1924 Act
3. 1945 Act
4. 1972 Agreement
5. Map of the Metro Area

Sincerely,



Isabel Mercedes Cumming
Inspector General, Baltimore City



Kelly B. Madigan
Inspector General, Baltimore County

cc: Dana P. Moore, Acting City Solicitor
Matthew Garbark, Acting Director, Baltimore City Department of Public Works
Stacy L. Rodgers, County Administrative Officer
Patrick H. Murray, Chief of Staff
James R. Benjamin, Jr., County Attorney
D'Andrea Walker, Acting Director, Baltimore County Department of Public Works
Bobbie Rodriguez, Chief, Metropolitan District Financing and Petitions Office

Exhibit 1

Baltimore City OIG Case # 20-0040-I
Baltimore County OIG Case # 20-018

CHAPTER 526.

AN ACT to authorize the County Commissioners of Baltimore County to establish, construct, acquire and maintain and extend water systems in said county, conferring upon said County Commissioners all needful powers in respect thereto, including the power to raise the necessary funds therefor by taxation or assessments or borrowing upon the faith and credit of the county.

SECTION 1. Be it enacted by the General Assembly of Maryland, That the County Commissioners of Baltimore County shall be charged with the duty of constructing and establishing public county water systems in Baltimore County wherever and when- it t ever, in their opinion, the public health, welfare or convenience requires with the power and authority to adopt rules, orders and regulations for the maintenance, preservation, repair, improvement, protection, examination and inspection of such systems, and all such rules, orders and regulations shall be recorded in the record of the proceedings of said Commissioners, signed by them and attested by their chief clerk and auditor and sealed with the corporate seal of Baltimore County, and all such rules, orders and regulations shall have the force and effect of law, and any person violating the provisions of any such rule, order or regulation shall be deemed guilty of a misdemeanor and shall be subject to a fine of not less than five dollars or more than one hundred dollars, to be enforced and collected as other fines are enforced and collected under the laws of this State. The power to establish and construct public county water systems in Baltimore County herein conferred upon said County Commissioners shall include the power to do all things which may be necessary or incident thereto, and particularly and expressly is the power conferred upon said County Commissioners to do the following: a. To make all preliminary investigations and to do all preliminary work, which in the opinion of said County Commissioners should precede the actual construction of any water system. b. To employ for such period or periods as may in their opinion be necessary a capable engineer and to appoint or employ such other professional or technical experts or advisors, and such agents or employees, skilled or unskilled, as they may deem advisable for the proper performance of the duties imposed on them by this Act, to fix their respective compensations and to remove or discharge such experts, agents or employees at pleasure. e. To construct, acquire and establish any reservoir, pumping and nitrating plants which, in their opinion, may be necessary for the purpose of this Act, and to acquire by purchase or gift any sources of water supply in Baltimore County and any public water mains or systems of water mains now located in Baltimore County and used to supply inhabitants of Baltimore County with water, and especially all or any part of the plant formerly belonging to the Baltimore County Water and Electric Company now owned by the Mayor and City Council of Baltimore and located in Baltimore t County. d. To make and enter into any and all contracts, agreements and stipulations germane to the scope of their duties and powers under this Act. e. To purchase or otherwise lawfully obtain the use of all machinery, tools, appliances and agencies which, in their opinion, may be needed in the performance of their duties under this Act. f. To acquire by gift, purchase, arbitration, exchange, lease or other like methods of acquisition, or by condemnation, any land or property, public, quasi-public or private, situated in Balti- more County or any easements, interest, privilege or franchise therein, which may be required for any of the purposes of this Act; provided, however, that nothing in this Act shall authorize the County Commissioners of Baltimore County to condemn any part of the water system of Baltimore City or any sources of water supply owned by said city.

SECTION 2. Whenever fifty or more of the taxable inhabitants of Baltimore County shall, in writing, petition the County Commissioners of Baltimore County to install a water system or extend an existing water system into and through an area in Baltimore County, to be definitely described in said petition, the County Commissioners of Baltimore County shall there- upon determine whether the public health, welfare and convenience requires the construction or extension of a water sys- tem in and through the area described in said petition; and if, in their judgment, the public health and convenience does require the construction or the extension of a. water system

into and through said area they shall immediately appoint three capable and upright citizens of Baltimore County, not residing within the area to be served by the proposed new system or by the extension of an existing system into said area, and not owning property in said area, who shall be known as water examiners and who shall investigate and determine the probable cost of constructing and establishing such system, and the names of the property owners in the area to be served by the proposed water system and the amount to which each will be actually benefited or damaged thereby, and shall return such estimate and the probable cost, damage and benefits to said County Commissioners. The County Commissioners shall then assess the cost of constructing and establishing the proposed 48 system or the cost of constructing and establishing the extension to the existing system, as the case may be, upon the persons interested in proportion to the amounts to which they are benefited or damaged thereby. And the said County Commissioners of Baltimore County shall then cause notice to be given to all persons assessed of the assessments respectively so made on them by said County Commissioners by publication once in each of two successive weeks in one or more newspapers published in Baltimore County, and of the day upon which objections to said assessments of benefits and damages will be heard, such date to be not more than sixty days from the date of the return of the examiners aforesaid. If any person interested shall feel aggrieved by the assessment or award so made, he shall file in writing with the said County Commissioners on or before the day set in said notice for nearing objection to such assessments or awards, and the said County Commissioners on the day so fixed shall hear testimony and argument upon such objections, and shall consider the same, and said objections, the awards and assessments and all other proceedings in the matter, and may then by their order confirm, alter, amend or correct the said awards and assessments, or any of them and if no appeal be prayed from the said order of said County Commissioners so passed within ten days said order shall become final and effective. Any person interested may appeal to the Circuit Court for Baltimore County from the order of the said County Commissioners passed upon such objections provided a written order for such appeal shall be filed with said County Commissioners within ten days from the passage of such order; the parties to such appeal to be arranged in the record of proceedings as their actual interests may require. The person or persons so appealing shall within thirty days from the date of the appeal pay or tender to the Chief Clerk and Auditor of said County Commissioners the cost of the record of proceedings in said appeal, to be taxed as the cost of records in the several Circuit Courts for the counties of this State are taxed, and if said appeal is not so taken and said costs so tendered or paid, the right of appeal and all other rights in connection with said appeal shall be taken and considered as abandoned and waived. Upon the taking of such appeal and the tender or payment of said costs, the Chief Clerk and Auditor of the said County Commissioners shall prepare and transmit to the clerk of the Circuit Court for Baltimore County a transcript of the records of such proceedings. Such appeal shall be tried at the term of said court then being held, or as soon thereafter as convenient, and at such trial either party shall have the right to a jury trial as in cases at common law; any of the proceedings may, on such appeal, be amended as to matters of form as fully as the proceedings in appeal from justices of the peace may be amended. Upon the trial of such appeal the court shall give such judgment in the matter as may be proper, including costs, and the judgment so given shall be certified by the clerk of said court to the said County Commissioners. If no appeal shall be taken from any order ratifying or confirming said assessments of benefits or award of damages within the time heretofore specified, or if on any appeal the said assessment or award is confirmed in whole or in part, then said assessments imposed by said order, or in the case of an appeal to the extent to which the assessment or awards made in said order which is the subject of the appeal is affirmed by the judgment on said appeal, shall be and become due and payable to the County Treasurer of Baltimore County, and any and all such assessments for benefits shall be and become a tax and lien upon the property, real and personal, of the person or corporation against whom said assessment may be made to the same extent and as fully as State and county taxes, and subject to the same limitation as to time; if not paid within thirty days from the time when they shall respectively become

payable, said assessments may be collected by the Treasurer of the county by an action of debt or in the same manner as county taxes are ordinarily collected, or by a bill in equity at the instance of the Treasurer to enforce such Hen; and upon any order awarding damages becoming final, or in the event of an appeal to the extent that such order is affirmed on appeal, the damages so awarded shall become due and payable.

SECTION 3. The County Commissioners of Baltimore County are authorized to allow and provide for the payment of any assessment which may be made, levied or imposed under Section 2 in instalments and to fix the amount of such instalments, the interest on deferred payments at a rate not exceeding six per cent, per annum and the time within which all such instalments must be paid.

SECTION 4. That for the purpose of providing funds for constructing, establishing or acquiring any water system which in the judgment of the County Commissioners of Baltimore County is necessary to be constructed, established or acquired for the public health, welfare or convenience, the said County Commissioners of Baltimore County are hereby authorized and empowered to create loans from time to time on the faith and credit of Baltimore County, each loan to be in an amount equal to the aggregate of all assessments of benefits on the properties benefited by any such water system or by the extension of any such water system or in an amount sufficient in the opinion and judgment of said County Commissioners to construct, establish or acquire any such water system, and to issue and sell certificates of indebtedness of Baltimore County as evidence of any such loan, said certificates to be in good and sufficient form and to be in denominations of five hundred dollars and multiples thereof, and to be dated, to mature at such time or times and in such amounts and to bear such rate of interest payable at such time or times, as the County Commissioners of Baltimore County may determine, said certificates to be signed by the President of said County Commissioners and the Treasurer of said County and to have the corporate seal of Baltimore County affixed thereto, and every loan shall be given an appropriate name by said County Commissioners with the word "Water" included therein and every such loan and every part thereof and the interest payable thereon shall be and remain exempt from State, county and municipal taxes.

SECTION 5. That for the purpose of paying said certificates of indebtedness when and as they mature and for the purpose of paying the interest thereon when and as the same becomes due a tax of one per cent, of the assessed valuations of all the properties benefited by any such system as may have been built, acquired or established through the sale of said certificates, or such part of one per cent, as may be deemed necessary or desirable by the County Commissioners, shall be levied by said County Commissioners of Baltimore County each year on the property so benefited until said certificates and the interest payable thereon are paid; said taxes so to be assessed and levied to be a lien upon the property of the person so assessed and to be collected as county taxes are now collected by law. In case the property benefited by any such system is insufficient to pay said certificates as they mature or the interest thereon as the same becomes payable, or in case the property benefited by said system has not been ascertained or in the judgment of said County Commissioners is not capable of being assessed or in fact has not been assessed for benefits, the said County Commissioners of Baltimore County are hereby authorized and empowered to annually levy a tax upon the assessable property of Baltimore County sufficient to pay and redeem said certificates as they mature and sufficient to pay the interest thereon as the same may become due and payable. And all assessments of benefits on property benefited by any such sewer system shall be applied by said County Commissioners in payment of said certificates (principal and interest) sold to build, acquire or establish such system and for no other purpose.

Approved April 13th, 1922.

<http://aomol.msa.maryland.gov/000001/000563/html/am563--1505.html>

Exhibit 2

Baltimore City OIG Case # 20-0040-I
Baltimore County OIG Case # 20-018

CHAPTER 539.

AN ACT to create a Metropolitan District in Baltimore County contiguous to Baltimore City; to provide for the construction, maintenance, operation, purchase or condemnation of water supply, sewerage, and stormwater drainage systems; to provide for the issuance of bonds for the purpose of such construction, and the levy of taxes, assessments and benefits, water and sewer charges and rates for the payment of said bonds; and the operation, maintenance, regulation and control of said systems and granting certain powers and imposing duties on the City of Baltimore in connection therewith; and granting certain powers to Anne Arundel County in connection therewith; and granting certain powers and imposing certain duties on the Public Service Commission of Maryland in connection therewith; to provide that the County Commissioners of Baltimore County shall sit on Monday of each week, and on such other days as may be necessary to carry out the provisions of this Act, to provide compensation to them for the performance of the duties imposed by this Act. and for other purposes.

SECTION 1. Be it enacted by the General Assembly of Maryland, That all that part of Baltimore County described as follows: Beginning in the Patapsco River at the point where the boundary line between Baltimore County and Anne Arundel County is intersected by the easternmost boundary of Baltimore City by a line drawn due south, in continuation of the eastern boundary of Baltimore City; thence in a southeasterly direction along said boundary line between Baltimore County and Anne Arundel County to the point of intersection between the boundary lines of Baltimore County, Anne Arundel County and Kent County, thence in a northeasterly direction along the boundary line between Baltimore County and Kent County to the point of intersection between the boundary lines of Baltimore County, Kent County and Harford County, thence in a northwesterly direction along the boundary line between Baltimore County and Harford County for a distance of 3 and 5/6 miles, thence in a straight line drawn southwesterly to a point in the center of Back River between Rocky Point and Cuckolds Point; thence following along the center of Back River in a general westerly and northwesterly direction to the mouth of Deep Creek; thence along the middle of the east branch of Deep Creek to the head thereof; thence north and northeasterly in a straight line to the intersection of Eastern Avenue and Stemmer's Run Road; thence northeasterly along Eastern Avenue to the intersection of Eastern Avenue and Middle River Road; thence northwesterly along the Middle River Road to the intersection of Middle River Road and the Philadelphia Road; thence northeasterly along Philadelphia Road to the intersection of Philadelphia Road and Bucks Schoolhouse Road; thence along Bucks Schoolhouse Road in a general northwesterly direction to a point that is ½ mile southeast of and at a right angle to the Belair Turnpike; thence northeasterly along a general straight line parallel to and ½ mile east of the Belair Turnpike to intersect the Gunpowder Falls; thence northwesterly following along the center line of the Gunpowder Falls to a point that is ½ mile at a right angle to the Belair Turnpike; thence southwesterly along a general straight line ½ mile west of and parallel to the Belair Turnpike to intersect the Joppa Road; thence westerly along the Joppa Road to a point ½ mile east of and at a right angle to the Harford Turnpike; thence northwesterly along a general straight line ½ mile east of and parallel to the Harford Turnpike for a distance of 1 and ¼ miles; thence northwesterly in a straight line and at right angles to the last described boundary line a distance of 1 mile; thence southwesterly at right angles to the last described line and running along a general straight line parallel to and ½ mile west of Harford Turnpike for a distance of 1 and 3/8 miles; thence turning in a westerly direction and along a straight line to a point where Oakleigh Avenue is intersected by the Cromwell Bridge Road: thence southwesterly along Cromwell Bridge Road to the point where Cromwell Bridge Road is intersected by Cowpens Avenue; thence northwesterly along Cowpens Avenue to the point where Cowpens Avenue is intersected by Providence Road; thence northwesterly in a straight line to the intersection of Dulaney Valley Pike and Pots Spring Road; thence in a straight line running northwesterly to a point on Cinder Road ½ mile east of York Turnpike; thence northwesterly in a straight line to the intersection of York Turnpike

and Western Run Turnpike; thence turning sharply to the southeast and running in a straight line to the intersection formed by Texas Road; Falls Road and Broadway Road; thence in a westerly direction along Broadway Road for a distance of 1 and 5/8 miles to a fork in said road; thence following the upper branch of said fork for a distance of ¼ mile to the point of intersection between said fork and Lower Dover Road; thence northwesterly along Dover Road to the fork formed by the intersection of Dover Road and Caves Road; thence in a general southwesterly direction along Caves Road to Garrison-Forrest Road; thence northwesterly along Garrison-Forrest Road for a distance of 1 and 1/8 miles to the point where the Garrison-Forrest Road is intersected by a road running westerly and connecting with Bonita Avenue; thence northwesterly in a straight line to the intersection of Timber Grove Road extended and Bond Avenue extended; thence in a straight line running northwesterly to a fork formed by the intersection of Worthington Avenue and Dover Road, and continuing along the same straight line for a distance of 9/16 mile to a point 4, 200 feet due east of the point where the Hanover Road is crossed by the Western Maryland Railroad at Glen Morris; thence in a westerly direction and running in a straight line for a distance of 4, 200 feet to the intersection of the Hanover Road and Western Maryland Railroad; thence southwesterly in a straight line 4, 200 feet to a point on the Westminster Turnpike located 2, 500 feet to the northwest of the junction of Westminster Turnpike and Hanover Road; thence due south in a straight line running for a distance of 1 and 15/16 miles to the intersection of Gores Mill Road, Berrymans Lane and Nicodemus Road; thence southeasterly along Nicodemus Road to the intersection formed by Nicodemus Road and Cherry Hill Road; thence southeasterly in a straight line to the intersection of Church Lane and the road running southwesterly from the Reisterstown Road at Delight; thence along Church Lane to the intersection of Pleasant Hill Road; thence in a straight line southeasterly to a point on Painter's Mill Road formed by a fork in said road and a road running westward and parallel to Red Run; thence southwesterly along Painter's Mill Road to the intersection of Painter's Mill Road and Lyons Mill Road; thence southeasterly along Lyons Mill Road to the intersection of Lyons Mill Road and McDonough Road; thence in a general southwesterly direction along McDonough Road to a point on said road located at a distance of ¼ mile northeast of and at right angles to Liberty Road Turnpike; thence at right angles northwesterly in a straight line parallel to and ¼ mile from Liberty Road Turnpike, for a distance of 3, 200 feet; thence at right angles southwesterly in a straight line ½ mile; thence at right angles southeasterly ¼ mile from and parallel to the Reisterstown Turnpike to intersect Green Lane; thence southeasterly along Green Lane to the intersection of Green Lane and Old Court Road; thence southwesterly along Old Court Road to intersection of Old Court Road and Ridge Road; thence southeasterly along Ridge Road to the intersection of Ridge Road and Dogwood Road; thence southwesterly along Dogwood Road to the center of the Patapsco River at Hollofield; thence in a southerly and southeasterly course along the center of the Patapsco River boundary line of Baltimore County and Howard County and Baltimore County and Anne Arundel County to the point where the Baltimore County and Anne Arundel County line intersect the southwestern boundary of Baltimore City, thence in a northwesterly direction along the southwestern boundary of Baltimore City to the western boundary thereof; thence in a northerly direction along the western boundary of Baltimore City to the northern boundary thereof; thence due east along the northern boundary of Baltimore City to the eastern boundary thereof; thence due south along said eastern boundary of Baltimore City to the point of beginning, be and the same is hereby designated and constituted, for the purposes hereinafter set forth, to be the "Baltimore County Metropolitan District." The names of the roads herein mentioned are as given on the 1919 map of the Baltimore County road system, prepared by the Baltimore County Roads Engineer, a copy of which plat marked Baltimore County District Plat is to be recorded among the land records of Baltimore County immediately after the passage of this Act.

SEC. 2. And be it further enacted, That, for the purpose of carrying out the provisions of this Act, said District shall be under the jurisdiction of the County Commissioners of Baltimore County, hereinafter called Commissioners. The Commissioners shall meet and sit on Monday of each week, and on such other days as may be necessary, at

their office for the transaction of business under this Act. Each of the Commissioners shall receive, in addition to the sum of \$2, 400 per annum as now provided by law, the sum of twelve hundred dollars per annum, payable monthly, as compensation for the discharge of the duties imposed upon them under this Act. The Commissioners shall appoint and fix the compensation of a chief sanitary engineer, and shall appoint or authorize the appointment of such engineering, clerical and other force and help as in their judgment are necessary for carrying out the provisions of this Act, may discharge such, appointees at pleasure, and may exact from them such indemnity bonds as they may deem proper. The Commissioners shall publish annually in one or more newspapers published in Baltimore County a full and true account of their receipts, expenses and expenditures under this Act. Prior to such publication, their accounts shall be audited by a certified public accountant to be employed and paid by the Commissioners out of such Metropolitan District or Sub-district Funds as may at the time be available.

SEC. 3. And be it further enacted, That whenever it shall be deemed necessary by the Commissioners to take or acquire any land, structures or buildings, source of water supply, any stream bed, water way, water rights, water shed, franchises, water, sewerage, or drainage systems, or other property, either in fee or as an easement, within or without the Metropolitan District, except within the territorial limits of Baltimore City, for the construction, extension or maintenance of any water supply, water main, sewer or appurtenance thereof, or for any sewage disposal plant, reservoir, water purification plant, tank or pumping station, or for any other purpose under this Act, the Commissioners may purchase the same from the owners, or, failing to agree with the owner or owners thereof, may condemn the same, except within the territorial limits of Baltimore City, by proceedings in the Circuit Court for the county in which said land, structures or buildings, source or water supply, stream bed, water way, water rights, water shed, franchises, water, sewerage, or drainage systems, or other property is situated, as now provided for condemnation of land by public service corporations in the Code of Public General Laws of Maryland, and the Commissioners may likewise condemn the interest of any tenant, lessee or other person having an interest in said land, structures or buildings, source of water supply, stream bed, water way, water rights, water shed, franchises, water, sewerage, or drainage systems, or other property. At any time after ten days following the return and recordation of the verdict or award in said proceedings, the Commissioners may enter and take possession of the property so condemned, upon first paying to the Clerk of the Court the amount of said award and all costs taxed to date, notwithstanding any appeal or further proceedings upon the part of the defendant; at the time of said payment, however, they shall give their corporate undertaking to abide by and fulfill any judgment on such appeal or further proceeding. The provisions of this Section shall not apply to the properties, plants, franchises and rights of the Mayor and City Council of Baltimore, or to any properties, plants, franchises and rights that may be hereafter acquired by the Mayor and City Council of Baltimore for the protection or enlargement of its water supply, sewerage, storm-water drainage, or refuse disposal systems or any other of its utility properties, except by and with the consent of the Mayor and City Council of said city, but shall apply to any and all other property necessary for the purposes of this Act which may, at the time of condemnation, be subject to a prior public use for water supply, sewerage and drainage systems.

SEC. 4. And be it further enacted, that as soon after organization as possible, and from time to time thereafter, the Commissioners shall cause surveys, studies, plans, specifications and estimates to be made for water supply, sewerage and storm-water drainage systems in all those parts of the Baltimore County Metropolitan District in which there is, in their judgment, a need for water supply, sewerage or drainage. The Commissioners shall divide the Metropolitan District into water, sewerage or drainage sub-districts in such a way as shall in their judgment best serve the needs of the various communities and shall promote convenience and economy of installation and operation, which sub-districts when so created shall be numerically designated in the order of their creation as Metropolitan Sub-districts, and shall thereafter be known by the designations so given. Whenever and as plans

are completed for those sub-districts most needing service, the Commissioners shall give notice by publication for two successive weeks in one or more newspapers published in Baltimore County that said improvements are contemplated, that the boundaries of the sub-district have been established and the classifications provided for in Section 9 hereof, have been made, and that at a time specified in said notice which shall be at least five days after the expiration thereof, any persons interested in said improvements will be heard. After public hearing, however, the decision of the Commissioners' as to the areas to be included and improvements to be carried out in any sub-district shall be final. Such surveys, studies and plans shall be made in consultation and co-operation with the Chief Engineer of Baltimore City. Whenever plans shall have been completed for a water supply, sewerage or storm-water drainage system, or any part thereof, in any part of the District, the Commissioners shall proceed to construct or cause to be constructed such systems, or parts thereof, by contract, after public advertisement, or by day labor, if no satisfactory contract can be made after public advertisement, as they may deem advisable, so that said system or systems may be constructed at a minimum cost, provided, however, that the cost of such work carried out by day labor shall not exceed, at any one time, twenty-five hundred dollars (\$2, 500. 00). And provided further, that no hearing or notice and advertisement thereof shall be required in case all parties interested in any particular extension of a water supply line file with the Commissioners a request in writing for such extension.

SEC. 5. And be it further enacted, That the proper authorities of Baltimore City are hereby empowered, authorized and directed to make extensions of water supply lines for and in the Metropolitan District whenever and wherever requested in writing by the Commissioners of Baltimore County. Such extensions shall be made at cost, and including a proper charge for overhead. The Public Service Commission of Maryland is hereby authorized and directed to review, upon application by the Commissioners, the cost of making such extensions, and the findings of the Public Service Commission shall be final except that there may be an appeal to the courts from such findings as is provided by law in the case of other determinations by the Commission. The Commissioners are hereby empowered, authorized and directed to raise funds, as hereinafter provided, for the expenditures here above authorized and directed, and to pay to the City of Baltimore out of such funds from time to time such sum or sums either in advance or as such work is done as may be necessary to cover the cost of said work. The proper authorities of Baltimore City are hereby empowered, authorized and directed to make installations of water supply service pipes to be connected to water mains whenever and wherever requested in writing by any individual, firm, or corporation owning property within the Metropolitan District, provided such individual, firm or corporation shall, before said work shall be begun, deposit with the City of Baltimore a sufficient sum of money to cover the cost of such installations. In like manner in case of disagreement between the City of Baltimore and any individual, firm or corporation as to the cost of any such service pipe made by said city for such individual, firm or corporation, the Public Service Commission of Maryland shall review said cost upon application, and the findings of the Public Service Commission shall be final, except that there may be an appeal to the courts for such findings as is provided by law in case of other determinations by the Public Service Commission.

SEC. 6. And be it further enacted, That as soon as water extensions have been constructed by the City of Baltimore in the Metropolitan District, the operating control shall be in the hands of the proper authorities of the City of Baltimore, who shall establish water service rates for all consumers on such water lines, who shall bill and collect such water rates and shall maintain the water distribution system in as good a condition, and the water service in as efficient a manner as the remainder of the water system owned and operated by the City of Baltimore. All the water service rates established as above shall be first approved by the Public Service Commission of Maryland, subject to the same right of appeal to the courts as is provided by law in the case of rates for public service corporations fixed by the Public Service Commission, before they may become effective under the requirements of this Act.

SEC. 7. And be it further enacted, That the Commissioners shall have full power and authority to enter into any agreement with the proper authorities of Baltimore City or Anne Arundel County, or both, and the proper authorities of Baltimore City and Anne Arundel County are hereby authorized to enter into any such agreement with Baltimore County or with each other for the disposal of sewage or drainage, by the connection of the sewers or drains of Baltimore County within the Metropolitan District with those of Baltimore City or Anne Arundel County, or vice versa, or with regard to any other matter necessary for the proper construction or operation of the water supply, sewerage or drainage systems under their control. The costs or other fees for such connections shall be determined by agreement between the proper authorities of Baltimore City or Anne Arundel County and the Baltimore County Commissioners.

SEC. 8. And be it further enacted, That the Commissioners shall provide for each and every property abutting upon a street or right-of-way in which, under this Act, a water main and/or sanitary sewer is laid, one or more water and/or sewer connections, as may be necessary, which shall be extended as required from the water main and/or sewer to the property line of the abutting lot, said connections to be constructed by and at the sole expense of the Commissioners, except that such water connections as are or can be made from water mains owned, operated or constructed by the City of Baltimore, as hereinbefore provided for in Section 5, shall be constructed by the City of Baltimore and the cost shall be met as already specified in Section 5. When any water main or sewer is declared by the Commissioners complete and ready for the delivery of water or the reception of sewage, and water or sewer connection pipes have been laid to the several lot lines, the Commissioners shall notify the owner or tenant of every dwelling house, public building, factory, manufacturing plant or other establishment where people live, assemble or are regularly employed, or of every building where sanitary fixtures are. or in the judgment of the Commissioners should be installed, that a connection of all hydrants or spigots, toilets and drains shall be made with said water main or sewer, the said connection pipes of which have been laid to the lot line of such house, building, factory, plant or other establishment within a time prescribed by the Commissioners, such notice to be given by means of personal service upon such owner or tenant or person in charge of such house, building, factory, plant or other establishment, and where the aforesaid fixtures do not exist, or are of a nature which, in the judgment of the Commissioners, is improper or inadequate, the Commissioners shall give further notice by such personal service as aforesaid that satisfactory equipment shall be installed; and in all cases in which such connection shall be ordered as aforesaid the Commissioners may also give notice by such personal service as aforesaid that all wells, cesspools, waste drains and privies shall be abandoned, removed or left in such a way that they cannot again be used nor injuriously affect the public health, said disposition to be determined by the Commissioners. Nothing in this Act shall be taken to require any water company, whether incorporated or not. to close up, fill up or abandon the use of any spring or well used by it to supply therefrom to its customers or clients water fit for domestic uses or to cease to supply its customers or clients with such water or to connect its water supply system with the system to be established under this Act unless and until the said Commissioners shall acquire the water supply system and property of such water company; and nothing in this Act shall be taken to require any property owner having upon such property owner's premises any spring or well supplying water fit for domestic uses to close or fill up or abandon the use of said spring or well or to connect such property owner's property or premises with or (while the water of such spring or well continues fit for domestic use) to take the supply of water for his or her premises from the water supply system to be established under this Act. Nothing in this Act shall be taken to require any property owner having a private sewerage system upon such property owners own premises of the general type known as or similar to the Waring System for the disposal of sewage originating on such property owner's own premises, to abandon the use of the same, provided it shall be kept in efficient working and sanitary condition, or (while said private sewerage system is kept in efficient and sanitary condition) to require such owner to connect such property owner's premises with the sewerage system to be

established under this Act, unless the State Board of Health shall so require. Any failure to make such connections, or to make such changes on the property, or to obey any such notice or order of the Commissioners within the time prescribed shall be punishable by a fine of not more than twenty-five dollars for every calendar month during which such connection shall not be made, or such work done, after the expiration of the time prescribed, such prosecution to be had upon warrant before any justice of the peace residing within Baltimore County, with the right of appeal to the accused to the Circuit Court for Baltimore County, said appeal to be taken within ten days from the date of conviction before the justice of the peace. The Commissioners shall formulate, publish and enforce a plumbing code, and shall prescribe such rules and regulations governing the use of said water and sewer connections, and for the maintenance and operation of their systems, as they may deem necessary; and every person who shall make the personal service above prescribed shall deliver to the person upon whom such service is made a copy of such plumbing code and of such rules and regulations, and shall obtain from such person upon whom such service is made a receipt of such copies as aforesaid, or in default of such receipt shall file with the Commissioners an affidavit that such copies have been delivered as aforesaid. Any violation of said code or of any rule or regulation prescribed by the Commissioners as above, upon the part of any person to whom such copies shall have been delivered as aforesaid, shall be punishable by a fine not exceeding one hundred dollars, upon conviction before any justice of the peace residing within Baltimore County.

SEC. 9. And be it further enacted, That, for the purpose of paying the interest and providing the sinking fund for the bonds issued by the County Commissioners, as hereinafter provided for the water supply, sewerage and drainage systems to be constructed, purchased or established under this act, the Commissioners are hereby empowered and directed to establish a proper and reasonable charge for connection with said water supply, sewerage and drainage systems to be constructed, purchased, or established as aforesaid, and to fix an annual assessment on all properties, improved and unimproved, binding upon a street, road, lane, alley or right-of-way in which a water main, sewer or drain has been built. The said annual assessment shall be made upon the front foot basis, and the first payment shall be collectible during the year that the construction is started on the water supply, sewerage, or drainage system, or in which the systems are purchased or acquired. The Commissioners, for the purpose of assessing benefits shall divide all properties fronting upon a street, lane, or alley, in which a water pipe or sanitary sewer is to be laid, into four classes, namely: First, Agricultural; Second, Small Acreage; Third, Industrial or Business, and Fourth, Sub-division property, and the benefit charges shall be fixed and levied in accordance with the above classification, provided, however, that no front foot benefit charge shall be levied against any Agricultural property until such property is connected with said water pipe or sanitary sewer, and provided, further, that when connected, the length of Agricultural property to be assessed shall be limited to 150 feet. The Commissioners shall change the classification of properties, from time to time, as said properties change in the uses to which they are put. The Commissioners shall be empowered and directed to make a charge upon every building and place having a connection with the sewerage system under their control, said charge to be an annual sewerage service charge. All assessments and charges shall be uniform for each class of property throughout any sub-district, shall be subject to change annually and shall be collected by the Treasurer of Baltimore County excepting the water service rates, which shall be collected as already specified in Section 6. For those water supply systems not falling under the provisions of Sections 5 and 6, but constructed and operated by the Commissioners, water service rates shall be established by the Commissioners. All front foot assessments shall run for an equal term of years; provided, however, that any property owner may, at his option, within one year from the time said front foot assessment or benefit charge is levied, extinguish the same by the payment in cash, in one sum, of the proportion of the estimated cost of the project of which the construction abutting upon his property is a part, represented by the number of front feet with which he is assessed, with interest at the rate of six per cent, per annum, from the date of said levy, less any annual payment that may have been made thereon.

The Commissioners, however, in estimating said cost for the purpose of extinguishment, may add thereto a reasonable margin to protect themselves against possible changes in the cost of construction and the loss of interest. All sums received under such plan of extinguishment shall be preserved intact by the Treasurer of Baltimore County, less the payment of the proportion of interest and sinking fund properly chargeable to the amount so received, and used for future construction. The said assessments and charges shall be and constitute a lien upon the property chargeable with the same until paid, and if remaining unpaid for sixty days after becoming due, they may be collected by an action of debt or by a bill in equity to enforce such lien. All suits, either in law or in equity, shall be in the name, and at the instance, of the Treasurer of Baltimore County. The amount collected by the Treasurer of Baltimore County, whether by suit (either at law or in equity) or otherwise, for the construction, maintenance and operation of the said water and sewerage system, after deducting therefrom all overhead expenses of the Commissioner and all proper and necessary costs of maintaining and operating the systems, and all such sums so received by the Commissioners to the credit of the water and sewerage fund shall be applied by said Commissioners to the payment of the interest on and to the retirement of such outstanding bonds as may be issued under this Act.

SEC. 10. And be it further enacted, That, for the purpose of providing funds for meeting the expenses of the Commissioners and for designing and construction purchase or acquisition of the water supply, sewerage and drainage systems provided for by this Act, the Commissioners shall, from time to time, as they deem necessary, issue bonds upon the faith and credit of Baltimore County and shall offer said bonds for sale in the open market to the highest cash bidder by sealed proposals. Before proceeding to sell any of said bonds in any year said County Commissioners shall advertise once a week for four successive weeks in one newspaper published in the City of Baltimore, and once a week for four successive weeks in one newspaper published in Baltimore County, and by such other advertisement as they shall think proper, that they will be in readiness at a time and place to be named in said advertisement within fifteen days after its expiration to receive sealed bids for the bonds described in said advertisement, under such regulations as the County Commissioners by their order may pass. And all accrued interest between the date of said bonds and the time of sale and delivery of and payment for said bonds shall be adjusted with the purchasers thereof. Upon the day mentioned in said advertisement for opening the bids for the proposals thereby called for, the County Commissioners shall receive such sealed proposals for the purchase of such bonds as may be designated in the advertisement. And on the opening in public of such sealed proposals as many of said bonds as may have been so bid for shall be awarded by the County Commissioners of Baltimore County to the highest responsible bidder or bidders therefor for cash, if the prices bid are adequate in the judgment of the County Commissioners; and when two or more bidders have made the same bid and such bid is the highest and for the whole amount of the bonds so offered for sale, or taken together in excess of said whole amount, such bonds shall be awarded to such highest responsible bidders bidding the same price in a ratable proportion: and if any of said bonds so offered for sale are not bid for, or if any insufficient price be bid for them, they may be subsequently disposed of under the direction of the County Commissioners of Baltimore County at a private sale upon the best terms that can be obtained for the same; provided they shall not be sold at private sale for less than par and accrued interest. All payments of the purchase price of said bonds shall be made to the County Treasurer. Such bonds shall be designated "Baltimore County Metropolitan District Bonds, " and shall be of such denomination or denominations and of such type, either serial bonds, sinking fund bonds, or certificates of indebtedness or other evidences of indebtedness, and of such periods of maturity, not exceeding fifty years, and rates of interest, not exceeding 5 per cent, per annum, as the Commissioners may deem advisable, said bonds to be signed by the President of the County Commissioners of Baltimore County and the Treasurer of said County and to have the corporate seal of Baltimore County affixed thereto. Said bonds and the interest payable thereon shall be and remain exempt from State, county and municipal taxation. At no time shall the total issue of bonds

outstanding for any purpose, under this Act, exceed seven per centum of the total assessable basis of real and tangible personal property assessed for county taxation purposes, within the Metropolitan District. The payment of interest on, and the retirement of, said bonds shall be provided for in the following manner: At least thirty days before the regular annual levy day the Commissioners in each year shall estimate the amount necessary to pay the interest on all outstanding bonds for the ensuing year, plus such amount as may be necessary to retire all such bonds maturing during the year for which the taxes are levied, or to provide a sinking fund sufficient to retire all such bonds as they mature, and shall levy annually against all tax-able property in the water, sewerage or drainage sub-district as hereinbefore provided for such amount, less funds in hand, applicable to the payment of interest and retirement expenses, for all the bonds issued to defray the cost of the water, sewer- age or drainage sub-district so improved or benefited, pro- vided that in the event such sum so levied on the water, sewer- age or drainage sub-district shall not provide a sufficient sinking fund to retire all such bonds as they mature, then the Commissioners shall levy annually against all taxable property in Baltimore County a sufficient sum to make up the deficiency. The Treasurer of Baltimore County is hereby required to collect the tax so levied, in the same manner as State and county taxes are collected, and such tax shall bear the same interest and be subject to the same penalties in the event of non-payment, as in the case of other county taxes. From the money so received, together with the amount in hand to the credit of said bond fund from the collections provided for in Section 9, the Commissioners shall first pay all interest on said bonds as it matures, and shall then deposit in some bank, or banks in Baltimore County to the credit of the Commissioners, as a fund to be known as the "Sinking Fund Account," the amount so raised for the payment of the principal of said bonds. The monies in the Sinking Fund shall be kept entirely separate from all other monies of the said Commissioners and of the county, and the said Commissioners shall invest the monies in the Sinking Fund in the purchase of any bonds issued under this Act when they are obtainable at not exceeding one point above the issue price or in bonds of the United States Government or of the State of Maryland; and bonds issued under this Act when purchased for the Sinking Fund shall not be can- celled and destroyed, but shall be immediately stamped to show that they belong to the Sinking Fund and shall be held and treated as other outstanding bonds bearing interest, and the interest thereon shall be paid into the Sinking Fund until their maturity and at maturity they shall be cancelled at the same time at which bonds of the same series outstanding in the hands of the public are paid. The Commissioners shall have power and authority to sell any United States or State of Maryland bonds at any time in the Sinking Fund in order to provide cash to pay any series of bonds issued under this Act as they mature or to purchase with the proceeds bonds issued under this Act whenever the Commissioners can in their judgment make such a change of investment advantageously. The provisions of this section shall not apply to the properties, plants, franchises, and/or rights of the Mayor and City Council of Baltimore or to any properties, plants, franchises and/or rights that may be hereafter acquired by the Mayor and City Council of Baltimore for the protection, or enlargement of its water supply, sewerage, stormwater drainage or refuse disposal systems or any other of its utility properties.

SEC. 11. And be it further enacted, That, for the purpose of providing for the organization and preliminary expenses of the Commissioners, the sum of \$25, 000 shall be provided by the issuance of notes, or some other form of certificates of indebtedness, the issuance whereof is hereby expressly authorized, which said sum shall be repaid to the County Commissioners out of the first issue of Metropolitan District bonds.

SEC. 12. And be it further enacted, That no water supply, sewerage or storm-water drainage system, or any part or appurtenance thereof, or no water main, sewer or drain, or connection therewith, within such parts or portions of said Metropolitan District as have been supplied with sewerage or water systems under the provisions of this Act, whether upon private premises or otherwise, shall be constructed by any person or persons, firm, corporation, institution or community without the written consent of and under rules prescribed by the Com-

missioners, and any violation of this Section shall be punishable in the same manner and subject to the same penalties as provided under Section. 18 of this Act. The provisions of this Section shall not apply to the properties, plants, franchises and/or rights of the Mayor and City Council of Baltimore or to any properties, plants, franchises and rights that may be hereafter acquired by the Mayor and City Council of Baltimore for the protection or enlargement of its water supply, sewerage, storm-water drainage or refuse disposal systems or any other of its utility properties.

SEC. 13. And be it further enacted, That all individuals, firms and corporations lawfully having buildings, structures, works, conduits, mains, pipes or other physical obstructions in, over or under the public lanes, avenues, streets, alleys or highways of the Metropolitan District, which shall block or impede the progress of the Commissioners' water mains, sewers or drains, when in process of construction and establishment, shall, upon reasonable notice from said Commissioners, promptly so shift, adjust, accommodate or remove the same, as to fully meet the exigencies occasioning such notice; provided, however, that the cost of such changes shall be borne and paid for by the Commissioners out of the Metropolitan District Funds. No water supply, sewerage or drainage system which may have been laid out, constructed or operated, before the passage of this Act, under the rules and regulations and authority of the State Board of Health and the Baltimore County Commissioners, shall be disturbed except by consent of the owner thereof or by condemnation proceedings as herein provided. The provisions of this Section shall not apply to any property owned by the Anne Arundel County Sanitary Commission, or its successors, or by the Anne Arundel County Commissioners, into which the water supply, sewerage or drainage systems established by the Commissioners shall extend. The provisions of this Section shall not apply to the properties, plants, franchises and/or rights of the Mayor and City Council of Baltimore or to any properties, plants, franchises and rights that may be hereafter acquired by the Mayor and City Council of Baltimore for the protection or enlargement of its water supply, sewerage, storm-water drainage or refuse disposal systems or any other of its utility properties.

SEC. 14. And be it further enacted, That whenever three-fifths of the registered voters now residing in any locality in Baltimore County adjoining the Baltimore County Metropolitan District, but outside the boundaries thereof, as constituted by Section 1 of this Act, shall, in writing, petition the Commissioners to have the locality (the boundaries whereof shall be definitely stated in such petition) included within the Metropolitan District, the Commissioners may, in their discretion, by and with the consent and approval of the Mayor and City Council of Baltimore, extend said District to include said locality, which locality shall become a part of said District and subject to all the provisions of this Act, upon the recording of such petition, together with the written approval of the Commissioners, and the Mayor and City Council of Baltimore, in a book to be kept by the Commissioners for that purpose, and upon such publication as the Commissioners shall deem proper.

SEC. 15. And be it further enacted, That the Commissioners may enter upon any State or County street, road or alley, or any public highway, for the purpose of installing, maintaining and operating the water supply, sewerage and drainage system provided for under this Act, and it may construct in any such street, road or alley or public highway, a water main, sewer or drain, or any appurtenance thereof, upon the receipt of a permit from the public authority having control thereof, but without the payment of a charge therefor, but in case the Chief Sanitary Engineer of the Metropolitan District and the Roads Engineer of Baltimore County do not agree as to the issuance of said permit, then the County Commissioners after hearing both Engineers shall decide and their decision shall be final in the matter. Said highway shall be repaired and left by the Commissioners in the same, or a not inferior, condition to that existing before being torn up, and that all costs incident thereto shall be borne by the Commissioners. The provisions of this Section shall not apply to the properties, plants, franchises or rights of the Mayor and City Council of Baltimore or to any properties, plants, franchises and rights that may be hereafter acquired by

the Mayor and City Council of Baltimore for the protection or enlargement of its water supply, sewerage, storm-water drainage or refuse disposal systems or any other of its utility properties.

SEC. 16. And be it further enacted, That whenever reference is made in this Act to "water supply, sewerage, and drain- age systems, " the same shall include all extensions of water or sewerage or drainage mains or pipes.

SEC. 17. And be it further enacted, That every public service corporation, company or individual before it or they shall begin any construction in any street, road, alley or public highway within the Metropolitan District, shall file with the Commissioners a plan of such construction showing the lo- cation and depth in such street, road, alley or public highway of the proposed main, conduit, pipe or other structure, which plan must be approved by the Commissioners before such construction is begun; and when approved no change shall be made in the physical location of anything shown upon said plan except upon the approval of the Commissioners. When- ever any public service corporation, company or individual shall begin to put any such main, conduit, pipe or other structure in any such street, road, alley or public highway without first filing plans with the Commissioners and obtaining the approval thereof, as above provided, or shall, without the approval of the Commissioners, make any change in the location of such mains, conduit, pipe or other structure, as shown upon the plans approved by the Commissioners, or any approved change therein, such action shall constitute a misdemeanor, punishable as prescribed in Section 18 of this Act, and the Commissioners may, when any such main, conduit, pipe or other structure interferes with the construction or operation of their water or sewer systems or any of them, remove the same or change the location thereof. The provisions of this Section shall not apply to the properties, plants, franchises and/or rights of the Mayor and City Council of Baltimore or to any properties, plants, franchises and rights that may be hereafter acquired by the Mayor and City Council of Baltimore for the protection or enlargement of its water supply, sewerage, storm- water drainage or refuse disposal systems or any other of its utility properties.

SEC. 18. And be it further enacted, that every act or omission designated as a misdemeanor in this Act, unless other- wise provided, shall be punishable upon conviction before any Justice of the Peace or in the Circuit Court of the county within which such offense is committed, by a fine not exceed- ing \$100 or imprisonment for thirty days in the county jail, or both, in the discretion of the Court or Justice. Where such act or omission is of a continuing nature and is persisted in in violation of the provisions of this Act. or of any rule or regulation formulated thereunder, a conviction for one offense shall not be a bar to a conviction for a continuation of such offense subsequent to the first or any succeeding conviction.

SEC. 19. And be it further enacted, That nothing in this Act shall be taken or construed to abate, terminate or in any other manner affect any proceedings which have been conducted and carried on under the provisions of Chapter 197 of the Acts of 1916, as amended by Chapter 35 of the Acts of 1922, or any certificates of indebtedness issued or to be issued there- under, or under any other existing law at the passage of this Act, but such proceedings begun thereunder and which are pending at the passage of this Act shall be prosecuted and concluded in the same manner as if this Act had not been passed. And provided further, that the provisions of this Act shall not apply to the water and sewerage systems as established and be- longing to the Bethlehem Steel Corporation, or its subsidiaries at Sparrows Point.

SEC. 20. And be it further enacted, that all Acts or parts of Acts, general or local, inconsistent with the provisions of this Act, be and the same are hereby repealed to the extent of such inconsistency, provided that nothing contained in this Act shall affect or restrict any control which the State Board of Health of Maryland is empowered by law to exercise in any part of this State. And provided that nothing in this Act shall be construed to repeal or in any other manner affect the authority, rights, privileges and powers granted to the City of Baltimore under the

provisions of Chapter 349 of the Acts of the General Assembly of 1904 and Chapter 214 of the Acts of the General Assembly of 1908, and any amendments thereto, which said authority, rights, privileges and powers are hereby ratified and confirmed.

SEC. 21. And be it further enacted, that this Act is hereby declared to be an emergency law and necessary for the immediate preservation of the public health and safety, and being passed upon by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, the same shall take effect from the date of its passage.

Approved April 9, 1924.

<http://aomol.msa.maryland.gov/000001/000568/html/am568--1315.html>

Exhibit 3

Baltimore City OIG Case # 20-0040-I
Baltimore County OIG Case # 20-018

CHAPTER 1017. (House Bill 264)

AN ACT to repeal and re-enact, with amendments, Section 329 of Article 3 of the Code of Public Local Laws 'of Maryland (1930 Edition), title "Baltimore County", sub-title "Health and Sanitation" (Metropolitan District), as the same was repealed and re-enacted by Chapter 681 of the Acts of 1943; to repeal and re-enact, with amendments, Section 330 of said Article, as the same was repealed and re-enacted by Chapter 186 of the Acts of 1937; to repeal and re-enact, with amendments, Sections 331, 332 and 334 of said Article; to repeal and re-enact, with amendments, Section 335 of said Article, as the same was repealed and re-enacted by Chapter 732 of the Acts of 1943, and to repeal Sections 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 367, 368, 369, 370, 371, 374, 375, 376, and 377 of said Article; said amendments providing generally for the modernization, clarification and extension of the rights, privileges, powers and duties of the County Commissioners of Baltimore County under the Metropolitan District Act and the integration of provisions of prior law of County-wide application with the provisions of the Metropolitan District Act; to prohibit the acquisition in any manner of any public or private property by the County Commissioners of Baltimore County within the territorial limits of Baltimore City; to prohibit the exercise of the power of condemnation or the impairment by said County Commissioners of any existing or future facility or right of the Mayor and City Council of Baltimore; to provide for negotiation and arbitration of the mutual rights of said County Commissioners and of the Mayor and City Council of Baltimore in the Patapsco River and to provide for similar settlement of certain other question which now or hereafter may arise between said authorities; to revise and clarify the basis upon which work is sanctioned and cost estimates are made by the Chief Sanitary Engineer of the Metropolitan District; to provide that certain new construction or extensions under special circumstances need not be financially self-supporting; to eliminate the obsolete provision for extensions of water supply lines in the Metropolitan District by the City at the request of the County Commissioners of Baltimore County and to state instead the existing practice of construction by the County Commissioners with the approval and inspection of the City of Baltimore; to provide that consumers shall pay the cost of water meters; to consolidate and to clarify Sections 332, 353 and 357 of said Article, in order to clearly provide for the obligation of Baltimore City to furnish water in Baltimore County; to provide for procedure for establishing water service rates to be charged by Baltimore City to consumers in Baltimore County; to provide for the furnishing of water by Baltimore City to the Metropolitan District at cost entirely without profit or loss and to establish the procedure for determining said cost; to provide for the keeping of records by the Mayor and City Council of Baltimore to reflect actual income from the Metropolitan District water consumers and to require periodical accounting to the County Commissioners of Baltimore County for any profits derived by Baltimore City from the furnishing of water to consumers in the Metropolitan District, subject to deductions for any loss sustained by the City of Baltimore; to eliminate the requirement that the County Commissioners shall pay for water and sewer connections for property owners; to clarify the powers of the County Commissioners as to certain charges and assessments to property owners; to provide an additional classification of property assessable for benefits; and to alter the manner of handling income from assessments and charges under the Act.

SECTION 1. Be it enacted by the General Assembly of Maryland, That Section 329 of Article 3 of the Code of Public Local Laws of Maryland (1930 Edition), title "Baltimore County", sub-title "Health and Sanitation" (Metropolitan District), as the same was repealed and re-enacted by Chapter 681 of the Acts of 1943, be and the same is hereby repealed and re-enacted, with amendments, to read as follows: 329. The Commissioners are hereby expressly authorized and empowered to establish, construct, locate, maintain, operate, protect, preserve, repair, replace, extend or enlarge any water supply, water supply system, water main, sewer, sewer system, sewage disposal plant or field, reservoir, dam, water purification or filtration plant, tank or pumping station, and drains of any and every

kind, nature and description, and all other facilities, appurtenances and adjuncts that may be required for any of the purposes of this Act. Whenever deemed necessary by the Commissioners in the exercise of any of the foregoing power and authority, said Commissioners are authorized to acquire by purchase or, failing to agree on a purchase price, to take by condemnation from any tenant, lessee, owner, occupier, or holder of any interest, any land, structures or buildings, source of water supply, stream bed, water way, water rights, water shed, franchises, water, sewerage or drainage systems, or parts thereof, or other property, either in fee or as an easement, within or without the Metropolitan District. Said Commissioners are expressly prohibited from acquiring in any manner any public or private property of any type within the territorial limits of Baltimore City, and are further expressly prohibited from the exercise of the power of condemnation against any existing or future facility or right of the Mayor and City Council of Baltimore, or from in any manner impairing or interfering with any such facility or right. Proceedings for condemnation under this section shall be instituted in the Circuit Court for the County in which said land, structures or buildings, source of water supply, stream bed, water way, water rights, water shed, franchises, water, sewerage, or drainage systems, or other property is situated, as now provided for condemnation of land by municipal corporations in the Code of Public General Laws of Maryland. Certain differences having arisen between the Mayor and City Council of Baltimore and the Commissioners with respect to their mutual rights and needs in the use of the Patapsco River for water supply and sewage disposal the said authorities are hereby required to negotiate, and if they should fail to reach an agreement by June 1st, 1945, they shall submit the said differences to arbitration. In any such arbitration proceeding, the Commissioners shall appoint one (1) arbitrator and the Mayor and City Council of Baltimore shall appoint one (1) arbitrator. The two (2) arbitrators so appointed shall select a third, who shall be chairman of the Board of Arbitration. If the two arbitrators are unable to agree upon the third arbitrator, the Chief Judge of the Court of Appeals shall be requested to designate such third arbitrator, and the written decision of the majority of the Board of Arbitration shall be final and binding upon both parties. If, in the future, the Commissioners should desire to acquire water distribution mains and their appurtenances owned by Baltimore City and serving consumers in the Metropolitan District exclusively, or, if the Mayor and City Council of Baltimore should seek to acquire additional rights for the construction of sewer or water facilities in any manner affecting Baltimore County, said Commissioners and the Mayor and City Council of Baltimore, in either event, shall negotiate, and if unable to agree shall submit the matter to arbitration in the manner above provided.

SEC. 2. And be it further enacted, That Section 330 of Article 3 of the Code of Public Local Laws of Maryland (1930 Edition), title "Baltimore County", sub-title "Health and Sanitation" (Metropolitan District), as the same was repealed and re-enacted by Chapter 186 of the Acts of 1937, be and the same is hereby repealed and re-enacted, with amendments, to read as follows: 330. The Commissioners from time to time shall cause surveys, studies, plans, specifications and estimates to be made for water supply, sewerage and storm water drainage systems in all those parts of the Baltimore County Metropolitan District in which there is, in their judgment, a need for water supply, sewerage or drainage. Whenever plans shall have been completed for a water supply, sewerage or storm water drainage system, or any part thereof, in any part of the District the Commissioners shall proceed to construct or cause to be constructed such systems, or parts thereof, by contract, after public advertisement, or by day labor, if no satisfactory contract can be made after public advertisement, as they may deem advisable, so that said system or systems may be constructed at a minimum cost, provided, however, that the cost of such work carried out by day labor shall not exceed, at any time, twenty-five hundred dollars (\$2, 500. 00). No water or sewer lines or systems, or any part thereof, shall be constructed except upon the written recommendation of the Chief Sanitary Engineer. Before making his recommendation in writing with respect to the construction or extension of any water or sewer lines or systems, or any parts thereof, the Chief Sanitary Engineer shall make a thorough field inspection of the territory proposed to be served by the new construction or extension, and shall prepare

sufficient plans upon which to make an adequate cost estimate of the proposed construction or extension, together with conservative estimates in writing of the revenues to be expected therefrom by assessments and charges of any kind authorized by this Act. Such plans and estimates shall accompany his written recommendations and shall be filed by him in the office of the Commissioners. If said plans and estimates fail to show that the proposed new construction or extension will be financially self-supporting within a reasonable time after completion, the Commissioners shall not order the construction of said new lines or extensions, unless property owners requesting them shall finance their cost upon a basis that will make them a permanently self-supporting part of the Metropolitan District. The requirement that a project be financially self-supporting shall not apply to any exercise by the Commissioners of the general powers and authority to establish, construct and maintain facilities conferred upon them by Section 329, provided the Chief Sanitary Engineer finds that: (a) the cost or expense involved in the exercise of such power and authority is not readily or fairly susceptible of allocation among property owners in the affected area in accordance with the terms of Section 335, and (b) the exercise of such power and authority is for a purpose necessary and useful to the operation or maintenance of a water system, sewer system, or part thereof, constructed or to be constructed in the Baltimore County Metropolitan District.

SEC. 3. And be it further enacted, That Section 331 of Article 3 of the Code of Public Local Laws of Maryland (1930 Edition), title "Baltimore County", sub-title "Health and Sanitation" (Metropolitan District), be and the same is here- by repealed and re-enacted, with amendments, to read as follows: 331. Plans for extensions of water supply lines by the Com- missioners in the Metropolitan District shall be submitted to the Chief Engineer of Baltimore City for approval. The work shall be subject to inspection by a representative of the Mayor and City Council of Baltimore. The proper authorities of Baltimore City are hereby empowered, authorized and directed to make installations of water supply service pipes from the water mains to the curb line or, lacking such limit at the time of installation, to a corresponding appropriate location within the public way, whenever and wherever requested in writing by any individual, firm or corporation owning property within the Metropolitan District, provided such individual, firm or corporation shall, before said work shall be done, deposit with the City of Baltimore a. sufficient sum of money, to cover the cost of such installation, including the cost of a meter of a make and design approved by the Water Engineer of Baltimore City. In case of disagreement between the City of Baltimore and any individual, firm or corporation as to the cost of any such service pipe made by said city for such individual, firm or corporation, the Public Service Commission of Maryland shall review said cost upon application, and the findings of the Public Service Commission shall be final, except that there may be an appeal to the courts from such findings as is provided by law in case of other determinations by the Public Service Commission.

SEC. 4. And be it further enacted, That Section 332 of Article 3 of the Code of Public Local Laws of Maryland (1930 Edition), title "Baltimore County", sub-title "Health and Sanitation" (Metropolitan District), be and the same is hereby repealed and re-enacted, with amendments, to read as follows: 332. (a) The operating control of water extensions in the Metropolitan District shall be in the hands of the Mayor and City Council of Baltimore who shall bill and collect the water rates established as hereinafter provided, and shall maintain the water distribution system in as good a condition, and the water service in as efficient a manner as the remainder of the water system owned and operated by the City of Baltimore so that there shall be at all times an adequate flow of water fit for human consumption, none the less pure than the water furnished by the Mayor and City Council of Baltimore to the inhabitants of Baltimore City, and sufficient to supply to the inhabitants of Baltimore County, water for all public, private, domestic, manufacturing or other needs which the water mains were designed or intended to supply. (b) The rates to be charged by Baltimore City for furnishing water to consumers in Baltimore County shall be established by agreement between the City of Baltimore and the Commissioners, subject to approval by the

Public Service Commission of Maryland. In case of disagreement as to the rates to be fixed, the Public Service Commission of Maryland, shall, upon the application of the Commissioners, review the rates proposed by the City of Baltimore, and the findings of the Public Service Commission shall be final, except that there may be an appeal to the Courts by either party, as is provided by law in the case of rates for Public Service Corporations fixed by the Public Service Commission. The rates, however, established, shall be subject to revision from time to time by agreement of the City of Baltimore and the Commissioners, subject to the approval of the Public Service Commission. In case of disagreement as to a rate revision, either the City or the Commissioners may institute proceedings before the Public Service Commission for a review of the existing rates, with the subsequent right of appeal to the Courts as herein provided. (c) The Mayor and City Council of Baltimore shall furnish water to the Metropolitan District of Baltimore County at cost and entirely without profit or loss. The Commissioners and the Mayor and City Council of Baltimore shall, from time to time, determine by agreement, if possible, the cost to Baltimore City of furnishing water to consumers in the Metropolitan District of Baltimore County. If no agreement is reached, then cost shall be determined by arbitration in the manner herein provided in Section 329. Cost, however, determined, shall be subject to revision from time to time by agreement of the respective authorities, or by arbitration on the demand of either of them. (d) The Mayor and City Council of Baltimore shall maintain proper records and books of account to adequately and correctly reflect the amount of all income received from furnishing water service to consumers in Baltimore County; and annually shall render a statement to the Commissioners showing the total revenues received from Baltimore County water consumers during the period covered by the statement and the actual cost of furnishing such water, determined as hereinbefore provided. The excess of the income over actual cost shall be transmitted by said Mayor and City Council of Baltimore with the statement to the Commissioners, to be expended by them in furtherance of the uses and purposes authorized by the Metropolitan District Act. If in any year the revenues aforesaid should be less than the cost, the deficit shall be deductible from future payments accruing to the Commissioners and shall be taken into consideration in any revision of consumer rates. The account books and accounts relating to consumers of water in Baltimore County shall be subject to audit by agents of the Commissioners upon request of said Commissioners.

SEC. 5. And be it further enacted, That Section 334 of Article 3 of the Code of Public Local Laws of Maryland (1930 Edition), title "Baltimore County", sub-title "Health and Sanitation" (Metropolitan District), be and the same is hereby repealed and re-enacted, with amendments, to read as follows: 334. When any water main or sewer is declared by the Commissioners complete and ready for the delivery of water or the reception of sewage, and water or sewer connection pipes have been laid to the several lot lines, the Commissioners shall notify the owner or tenant of every dwelling house, public building, factory, manufacturing plant or other establishment where people live, assemble or are regularly employed, or of every building where sanitary fixtures are, or in the judgment of the Commissioners should be installed, that a connection of all hydrants or spigots, toilets and drains shall be made with said water main or sewer, the said connection pipes of which have been laid to the lot line of such house, building, factory, plant or other establishment within a time prescribed by the Commissioners, such notice to be given by means of personal service upon such owner or tenant or person in charge of such house, building, factory, plant or other establishment, and where the aforesaid fixtures do not exist, or are of a nature which, in the judgment of the Commissioners, is improper or inadequate, the Commissioners shall give further notice by such personal service as aforesaid that satisfactory equipment shall be installed; and in all cases in which such connection shall be ordered as aforesaid the Commissioners may also give notice by such personal service as aforesaid that all wells, cesspools, waste drains, and privies shall be abandoned, removed or left in such way that they cannot again be used nor injuriously affect the public health, said disposition to be determined by the Commissioners. Nothing in this Act shall be taken to require any water company, whether incorporated or not, to close up, fill up or abandon the use of any spring or well used by it to supply therefrom to its customers or clients

water fit for domestic uses or to cease to supply its customers or clients with such water or to connect its water supply system with the system to be established under this Act unless and until the said Commissioners shall acquire the water supply system and property of such water company; and nothing in this Act shall be taken to require any property owner having upon such property owner's premises any spring or well supplying water fit for domestic uses to close or fill up or abandon the use of said spring or well or to connect such property owner's property or premises with or (while the water of such spring or well continues) to take the supply of water for his or her premises from the water supply system to be established under this Act, Nothing in this Act shall be taken to require any property owner having a private sewerage system upon such property owner's own premises of the general type known as or similar to the Waring System for the disposal of sewerage originating on such property owner's own premises, to abandon the use of the same, provided it shall be kept in efficient working and sanitary condition, or (while said private sewerage system is kept in efficient and sanitary condition) to require such owner to connect such property owner's premises with the sewerage system to be established under this Act, unless the State Board of Health shall so require. Any failure to make such connections, or to make such changes on the property, or to obey any such notice or order of the Commissioners within the time prescribed shall be punishable by a fine of not more than twenty-five dollars for every calendar month during which such connection shall not be made, or such work done, after the expiration of the time prescribed, such prosecution to be had upon war- rant before any trial magistrate residing within Baltimore County, with the right of appeal to the accused to the Circuit Court for Baltimore County, said appeal to be taken within ten days from the date of conviction before the trial magistrate. The Commissioners shall formulate, publish and enforce a plumbing code, and shall prescribe such rules and regulations governing the use of said water and sewer connections, and for the maintenance and operation of their systems, as they may deem necessary; and every person who shall make the personal service above prescribed shall deliver to the person upon whom such service is made a copy of such plumbing code and of such rules and regulations, and shall obtain from such person upon whom such service is made a receipt of such copies as aforesaid, or in default of such receipt shall file with the. Commissioners an affidavit that such copies have been delivered as aforesaid. Any violation of said code or of any rule or regulation pre- scribed by the Commissioners as above, upon the part of any person to whom . such copies shall have been delivered as afore- said, shall be punishable by a fine not exceeding one hundred dollars, upon conviction before any trial magistrate, residing within Baltimore County.

SEC. 6. And be it further enacted, That Section 335 of Article 3 of the Code of. Public Local Laws of Maryland (1930 Edition), title "Baltimore County", subtitle "Health and Sanitation" (Metropolitan District), as the same was repealed and re-enacted by Chapter 732 of the Acts of 1943, be and the same is hereby repealed and re-enacted, with amendments, to read as follows: 335. For the purpose of paying the interest and providing the sinking fund for the bonds issued by the County Commissioners, as hereinafter provided for the water supply, sewer- age and drainage systems, or parts thereof, to be constructed, purchased or established under this Act, the Commissioners are hereby empowered and directed to make a proper and reasonable charge for connection with said water supply, sewerage and drainage systems, or parts thereof, so to be constructed, purchased, or established, as aforesaid, to change and vary said connection charges from time to time in order to reflect cost, and to fix an annual assessment on all properties, improved and unimproved, binding on a street, . road, lane, alley or right-of-way in which a water main, sewer or drain has been built. The said annual assessment shall be made upon the front foot basis, except in situations where property owners have agreed with the Com- missioners on another or additional basis of annual assessments upon their property under the provisions of Section 330. The first payment shall be collectible during the year that the construction is started on the water supply, sewerage or drainage systems, or parts thereof, or in which the systems are purchased and acquired. Interest at the rate of one-half of 1% per month shall be charged on all said annual assessments remaining unpaid on June first after said annual

assessment shall be due and payable. The Commissioners, for the purpose of assessing benefits, except where another basis is used by agreement with the property owner under Section 330, shall divide all properties fronting upon a street, lane or alley, in which a water pipe or sanitary sewer is to be laid into five classes, namely: First, Agricultural; second, Small Acreage; third, Industrial or Business; fourth, Sub-division Property; and fifth, Remote Property, and the benefit charges shall be fixed and levied in accordance with the above classification, or by agreement pursuant to Section 330, provided, however, that no front foot benefit charge shall be levied against any agricultural property until such property is connected with said water pipe or sanitary sewer, and provided, further, that when connected, the length of agricultural property to be assessed shall be limited to 150 feet. The Commissioners shall change the classification of properties from time to time as said properties change in the uses to which they are put. The Commissioners shall be empowered and directed to make a charge upon every building and place having a connection with the sewerage system under their control, said charge to be an annual sewerage service charge. All assessments and charges, except connection charges and charges or assessments made pursuant to agreement under Section 330, shall be uniform for each class of property throughout the District, shall be subject to change annually and shall be collected by the treasurer of Baltimore County, as hereinafter set forth, excepting the water service rates, which shall be collected as already specified in Section 332. For those water supply systems not falling under the provisions of Sections 331 and 332 but constructed and operated by the Commissioners, water service rates, shall be established by the Commissioners. All front foot assessments shall run for an equal term of years; provided, however, that any property owner may, at his option within one year from the time said front foot assessment or benefit charge is levied, extinguish the same by the payment in cash, in one sum, of the proportion of the estimated cost of the project of which the construction abutting upon his property is a part, represented by the number of front feet with which he is assessed, with interest at the rate of six per cent per annum from the date of said levy, less any annual payment that may have been made thereon. The Commissioners, however, in estimating said cost for the purposes of extinguishment, may add thereto a reasonable margin to protect themselves against possible changes in the cost of construction and the loss of interest. All sums received under such plan of extinguishment shall be preserved intact by the treasurer of Baltimore County, less the payment of the proportion of interest and sinking fund properly chargeable to the amount so received, and used for further construction. The said assessments and charges shall be and constitute a lien upon the property chargeable with the same until paid. Said lien whether as to assessments and charges heretofore accrued or hereafter accruing, shall be and is hereby declared always to have been superior to any and all other liens against the property chargeable therewith, whether such other liens were created prior to or after the passage of Chapter 539 of the Acts of 1924, known as the Metropolitan District Act. Nothing herein contained shall in any manner be construed as affecting the lien of any other public taxes, charges or assessments for State and/or County purposes of any kind or nature whatsoever levied or charged against any property. The lien herein provided for shall have and is hereby declared always to have had priority of payment from the proceeds of the sale of any property chargeable therewith, subject only to the preference of taxes provided by Section 150 of Article 81 of the Annotated Code of Maryland (1939 Edition). All such assessments and charges, including those past due and in arrears as well as those due and becoming due in the future, excepting water service charges, which shall be collected as heretofore specified in Section 332 shall be due, if payable annually, on the first day of January in each and every year and shall be collected by the treasurer of Baltimore County in the same manner and at the same time as State and County taxes are collected. In addition to, but not in substitution of the aforesaid remedies, whenever the Commissioners may deem it necessary and advisable, they are empowered by writ- ten order to authorize and direct the treasurer of Baltimore County to proceed in his own name as such treasurer to enforce the lien of Metropolitan District assessments and charges on any particular property specified in such order, by a bill in equity or to collect said assessments and charges by an

action of assumpsit or by both a bill in equity and a suit at law as aforesaid. In the event any such annual assessment or charge be not paid when due, interest thereon, beginning on the first day of the following June, shall be added at the rate of one-half of 1% per month until paid. The fiscal year of the Metropolitan District shall correspond with the calendar year and on or prior to the first day of January in each and every year, said Commissioners shall deliver to the treasurer of Baltimore County a statement showing the Metropolitan District assessments and charges due and payable, including such as may be in arrears, identifying, with respect to each of said assessments and charges, the properties on which the same are liens. Such statement shall be made by appropriate notation on the assessment or tax ledgers of the Commissioners and on the tax rolls customarily delivered to the treasurer, or in such other appropriate manner, as the Commissioners may determine. The Commissioners are directed, as far as possible, to make all assessments and charges, except water charges, in the Metropolitan District readily identifiable on the tax ledgers and tax rolls of the county in the possession of the treasurer of Baltimore County, to the end that the treasurer of Baltimore County and each taxpayer of the county may see what each assessable property in the county is subject to by way of lien for such assessments and charges. It shall be the duty of the treasurer of Baltimore County in making up the tax bills to make provision under appropriate heading for a statement thereon of, and to state thereon, the amount of such assessments and charges (except water service charges), due for the current year and of the amount thereof in arrears. Should a tax be imposed on any taxable property of the Metropolitan District or of Baltimore County under any provision of this Act, the rate and amount of such tax shall be also appropriately shown on said tax bill. The treasurer shall accept no taxes on real estate unless tendered at the same time payment of all Metropolitan assessments, charges and taxes shown on his books as liens on the property with respect to which taxes are tendered, except in case of Metropolitan assessments and charges in arrears for two or more years, accounting from January 1, 1938, as to which he may, with the prior approval of the County Commissioners of Baltimore County, evidenced by the passage of an ordinance as hereinafter provided, accept payment of such assessments and charges so in arrears in installments. The Commissioners are hereby authorized by ordinance to provide for the payment of Metropolitan District annual assessments and charges which may be due or in arrears for two or more years prior to January 1, 1938, in installments. Such ordinance shall have the force and effect of law, shall operate uniformly in the Metropolitan District and shall permit payment in no greater number of annual installments than six. All unpaid installments shall bear interest at the rate of one-half of 1% per month until paid. In the event there be established under any ordinance or law the practice of permitting payments in Baltimore County of taxes in installments, the provisions herein with respect to payment of Metropolitan District annual assessments and charges in installments shall cease to be operative and in lieu thereof with respect to each assessable property all Metropolitan annual assessments and charges thereon shall be included in the taxes thereon and collected together, in installments. The Commissioners are hereby authorized and empowered to adopt and pass all needful ordinances, which shall have the force and effect of law, to carry the preceding provision of this section into effect. All assessments and charges collected by the Treasurer of Baltimore County shall be deposited as received into a special account or accounts in one or more banks designated by the Commissioners and the sums so deposited, together with all sums received by the Commissioners to the credit of the Metropolitan District water and sewerage funds, after deducting all overhead expenses of the Commissioners and all proper and necessary costs of maintaining and operating the systems, shall be applied by the Commissioners in so far as may be necessary, to the payment of current interest on and to the retirement of such outstanding bonds as may be issued under this Act, and the balance, if any, shall be held or applied for maintenance, construction or any other purpose of this Act. The change in the method of collecting or enforcing said annual assessments and charges shall not be so construed as to make any of said annual assessments and charges subject to the bar of any statute of limitations. This section is remedial in nature and all of its provisions shall operate retroactively so that the

construction herein declared and the remedies herein provided shall apply to all Metropolitan District charges and assessments -heretofore accrued, as well as to all Metropolitan District charges and assessments accruing hereafter.

SEC. 7. And be it further enacted, That Sections 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 367, 368, 369, 370, 371, 374, 375, 376 and 377 of Article 3 of the Code of Public Local Laws of Maryland (1930 Edition), title "Balti- more County", sub-title "Health and Sanitation" (Metropolitan District) be and the same are hereby repealed.

SEC. 8. And lie it further enacted, That all Acts and parts of Acts, whether local or general, inconsistent with the provisions of this Act, are hereby repealed to the extent of such inconsistency.

SEC. 9. And be it further enacted, That if any provision, clause, sentence, word, phrase or part of this Act, or the application thereof to any person, firm or corporation, or to any given factual situation, is held invalid, neither the remain- der of this Act nor the application of such invalidated portion or portions of this Act to other persons, firms or corporations, and to other circumstances shall be affected thereby. If any provision, clause, sentence, word, phrase, or part of this Act shall be declared to be in violation of any provision of the State or Federal Constitutions, the remainder of said Act shall stand and be effective notwithstanding. To the extent, and only to the extent, of a judicial declaration of unconstitutionality or invalidity as to a given person, firm, or corporation, or as to a given factual situation, the provisions of the law prior to the passage of this Act shall remain in full force and effect solely for the enforcement of rights as to such person, firm, or corporation, or as to such factual situations.

SEC. 10. And de it further enacted, that this Act is hereby declared to be an emergency law and necessary for the immediate preservation of the public health and safety and being passed by a yea and nay vote, supported by three-fifths of the members elected to each of the two Houses of the General Assembly, the same shall take effect from the date of its passage.

Approved May 4, 1945.

<http://aomol.msa.maryland.gov/000001/000589/html/am589--1774.html>

Exhibit 4

Baltimore City OIG Case # 20-0040-I
Baltimore County OIG Case # 20-018

AGREEMENT

THIS AGREEMENT, made this 20th day of September, 1972, by and between the MAYOR AND CITY COUNCIL OF BALTIMORE, a municipal corporation (hereinafter referred to as the "City"), and BALTIMORE COUNTY, MARYLAND, a body corporate and politic (hereinafter referred to as the "County"),

WHEREAS, the General Assembly of the State of Maryland has established through Legislative Acts that Baltimore City has a statutory obligation to supply water to the Metropolitan District of Baltimore County at cost, without profit or loss, and that the County has a corresponding obligation to pay the actual costs incurred by the City in the capital investment, the operation and maintenance, and the management entailed in the provision of water to the County, and

WHEREAS, by existing agreements and Legislative Acts by the General Assembly of Maryland, Baltimore City supplies filtered water to portions of Anne Arundel and Howard Counties and raw water to portions of Carroll and Harford Counties from the Baltimore Water System; and

WHEREAS, it is the purpose of the parties hereto to continue the operation of the Baltimore Water System and to establish a method for the computation and payment of expenses incurred by Baltimore City and Baltimore County in connection with said water system; and

WHEREAS, it is contemplated that by this Agreement Raw Water, Treatment, and Filtered Water Facilities which shall benefit Baltimore City and Baltimore County and other political subdivisions shall be constructed and/or improved;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That in consideration of the covenants, agreements and payments, hereinafter set forth, it is mutually covenanted and agreed as follows:

ARTICLE I DEFINITIONS

- A. "Baltimore Water System" is hereby defined as the Raw Water, Treatment, and Filtered Water Facilities that serve all of Baltimore City and portions of Anne Arundel, Baltimore and Howard Counties with Filtered Water and portions of Harford and Carroll Counties with Raw Water.
- B. "Capital Expenditure" is hereby defined as all costs involved in the construction and/or installation of any water facility and shall include but shall not necessarily be limited to the sum of the following items; Land and/or rights-of-way, surveys, borings, material, labor, preliminary design and field engineering, construction costs, supervision and inspection of construction, overhead, and all other contributing costs or expenses. Repair and/or rehabilitation costs, paid from bond money, may be considered a capital expenditure. Capital expenditures, as the term applies in this Agreement, shall be reduced by the amount of any grant from the Federal government, the State of Maryland, or any capital contributions by others than the parties to this Agreement.
- C. "Debt Service" is hereby defined as the interest and amortization payments made during any given fiscal year on any given bond issue less any interest earned on temporary investments of unexpended bond funds plus interest that would have been earned on funds advanced to bond

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funds from other funds due to an expenditure of bond funds prior to issue. Interest earned on temporary investments shall be calculated by using the average monthly cash balance of each bond issue adjusted by the average percentage of available funds invested and multiplied by the average rate of earnings on investments.

- D. "Director" shall mean the Director of Public Works of Baltimore City or Baltimore County, or their duly authorized representatives.
- E. "Filtered Water" is water delivered to the distribution system after Filtration and Treatment.
- F. "Filtered Water Facilities" are hereby defined as the Filtered Water Pipelines, Filtered Water Pumping Stations and Filtered Water Reservoirs that are used in the conveyance of Filtered Water to the consumer.
- G. "Flow Distribution Method" requires a hydraulic analysis, usually done on an analog and/or digital computer, of the Water System or portion of the Water System based on the design requirements used to select any Improvement. Ratios of cost responsibility shall be developed by dividing the rate of Water to be supplied to each political subdivision by said Improvement under the design requirements used to select the Improvement.
- H. "Incremental Volume Method" requires a tabulation of the estimated increase in peak daily Filtered Water usage projected for each political subdivision from the time the Improvement is to be placed in service until the end of the design period. Ratios of cost responsibility shall be developed by dividing the increase in peak daily Filtered Water usage projected for each political subdivision by the total increase in peak daily Filtered Water usage for all of the political subdivisions.
- I. "Major repair and/or rehabilitation" is hereby defined as a restoration of a Filtered Water Facility which does not increase its capacity and whose cost exceeds \$10,000.
- J. "Metropolitan District of Baltimore County" shall mean that territory as outlined and defined in Section 1 of Chapter 539 of the Acts of 1924 and, such extensions as have been approved, and as may be hereafter approved.
- K. "Political Subdivision" is hereby defined as the governments of Baltimore City, Baltimore County, Anne Arundel County, Howard County, Carroll County and/or Harford County.
- L. "Raw Water" is water obtained from a river, stream, or reservoir prior to treatment.
- M. "System Unaccounted Water" is hereby defined as the difference between Filtered Water delivered to the Baltimore Water System and the sum of the total metered and the total unmetered water consumption.
- N. "System Volumetric Method" requires a tabulation of the actual quantity of Filtered Water, including Zonal Unaccounted Water, supplied to each political subdivision in all of the Zonal Distribution Systems. Ratios of cost responsibility shall be developed by dividing the actual quantity of Filtered Water, including Zonal Unaccounted Water, supplied to each political subdivision by the total quantity of Filtered Water, supplied to all the political subdivisions.

- O. "Unmetered Consumption" is hereby defined as the number of flat rate water service bills issued during the current fiscal year for the First Zone multiplied by 13,300 cubic feet per year and the number of flat rate water service bills issued during the current fiscal year for the Second Zone multiplied by 19,500 cubic feet per year.
- P. "Zone" is hereby defined as a subdivision of the Filtered Water portion of the Baltimore Water System in which a uniform static pressure range is maintained.
- Q. "Zonal Distribution System" is the network of pipelines within a zone that conveys Filtered Water from a Treatment Plant, a Filtered Water Pumping Station, or a Filtered Water Reservoir to the consumer.
- R. "Zonal Unaccounted Water" is hereby defined as the difference between the quantity of Filtered Water supplied to the zone and the sum of: (a) metered water consumption, (b) unmetered water consumption, and (c) quantity of Filtered Water delivered to other zones.
- S. "Zonal Volumetric Method" requires a tabulation of the quantity of Filtered Water, including unaccounted water, actually supplied to each political subdivision in the Zonal Distribution System or Systems served by said Pipelines, Pumping Stations, and/or Storage Facilities. Ratios of cost responsibility shall be developed by dividing the quantity of Filtered Water, including unaccounted water, actually supplied to each political subdivision by the total quantity of Filtered Water, including unaccounted water, actually supplied to all the political subdivisions served by said Pipelines, Pumping Stations, and/or Storage Facilities.

ARTICLE II RIGHTS OF CITY AND/OR COUNTY NOT TO BE ABROGATED

- A. Nothing in this Agreement shall limit or abrogate any right or rights delegated to Baltimore City or Baltimore County by Acts of the General Assembly of the State of Maryland.
- B. It is further understood and agreed that the police, legislative, and governmental powers of the Mayor and City Council of Baltimore, Maryland, and the County Executive and County Council of Baltimore County, Maryland, are in no sense attempted to be abridged or restricted by this Agreement.
- C. Each signatory hereto agrees to recognize all rights and privileges acquired by acquisition of property and/or rights-of-way, each from the other parties, and each such exception as may have been granted or will be granted each to the other and/or to other parties.

ARTICLE III RESPONSIBILITIES FOR NEW FACILITIES

Each party to this Agreement shall be responsible for planning, designing, and constructing Filtered Water Facilities located within its boundaries, except as authorized by the Acts of the General Assembly. Each party to this Agreement contributing to the cost of a Filtered Water Facility constructed by the other party shall have the right to review reports, plans, and financing of said facilities.

The planning, designing and constructing of all Raw Water Facilities, Raw Water Pipelines and Treatment Facilities shall be the responsibility of the City. The County shall have the right to review reports and plans of said Facilities. The financing of such Facilities, including the sharing of engineering and all other preliminary costs shall be the subject of future agreements.

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ARTICLE IV JOINT PLANNING

In order to provide data on which to base plans for future increases in the capacity of existing facilities and the construction of new facilities, the City and the County shall continue to maintain a jointly-staffed office that shall make detailed hydraulic, economic, and statistical studies of the entire Baltimore Water System. Assigned personnel and costs associated therewith shall be borne exclusively by the party from which said assignments originate. All other costs related thereto shall be apportioned in the Annual Water Statement.

Other political subdivisions, not party to this Agreement, shall be invited by the City and Baltimore County to contribute personnel and a proportionate share of the office expenses for joint planning. If the other political subdivisions decline to actively participate in designing future improvements to the Baltimore Water System, the system shall be designed to meet requirements of the City, Baltimore County, and those other political subdivisions who form the joint planning office.

ARTICLE V CONSTRUCTION OF FILTERED WATER PIPELINES

All Filtered Water Pipelines and appurtenances shall be designed and constructed in accordance with the applicable codes, rules and regulations of the party within whose boundaries the construction is located.

ARTICLE VI INSPECTION OF PREMISES

The premises of all water supply properties in the territories of the parties to this Agreement may be entered and inspected by either party's Director or his representative after proper authorization has been secured.

ARTICLE VII OPERATION AND MAINTENANCE OF THE BALTIMORE WATER SYSTEM

Baltimore County, shall on an annual fiscal year basis, pay its proportionate share of all expenses resulting from the operation, maintenance and administration of the Raw Water Facilities, the Treatment Facilities, and the Filtered Water Facilities that constitute the Baltimore Water System.

- A. All expenses involved with the operation, maintenance, and administration of the following facilities and/or functions shall be proportioned by the System Volumetric Method:
1. The collection, transmission and treatment of Raw Water.
 2. The General Supervision of the Administration Section of the Division of Water Supply of Baltimore City except those charges excluded under Article IV of the Agreement.
 3. The Engineering Services in the Division of Water Supply not charged to specific projects.
 4. The operation and maintenance of all pipelines in the Zonal Distribution Systems within Baltimore City until June 30, 1972, and continuing thereafter, this item shall include only the operation and maintenance of pipelines twelve inches and larger in the Zonal Distribution Systems within Baltimore City.
 5. The storerooms and yards utilized in the operation and maintenance of Filtered Water Facilities.
- B. All expenses involved with the operation, maintenance and administration of the following facilities, including repairs not covered by Article IX, paragraph B of this Agreement, shall be proportioned by the Zonal Volumetric Method:

1. The chlorinator stations operating in conjunction with Filtered Water Pumping Stations, Reservoirs and Tanks in the Baltimore Water System.
 2. The Filtered Water Pumping Stations supplying the Baltimore Water System.
 3. The Filtered Water Reservoirs and Tanks supplying the Baltimore Water System.
- C. All expenses involved with the operation, maintenance, and administration of the following facilities and/or functions shall be by actual expenses for these services rendered to Baltimore County.
1. The engineering services rendered by the City on County projects.
 2. The field inspection rendered by the City on County projects.
 3. The installation and repair of water meters and the investigation of complaints within Baltimore County.
 4. The services rendered by the City Water Consumer Service Division for Baltimore County, including postage.
 5. The operation and maintenance of the Zonal Distribution Systems within Baltimore County.
- D. To the expenses set forth in paragraphs A, B and C of this Article shall be added an amount of six (6) per cent which shall represent all additional expenses incurred by Baltimore City, except as otherwise set forth in other Articles of this Agreement.

ARTICLE VIII METERED WATER BILLING AND CUSTOMER SERVICE CHARGES

- A. Baltimore County shall, on an annual basis based on a fiscal year, bear its proportionate share of all expenses resulting from the preparation, issuance and collection of filtered water meter bills, including fire line bills, but excluding flat rate bills, as follows:
1. The amount chargeable for the processing of metered water bills and fire line bills by the Baltimore City Bureau of Collections is hereby established as forth (40) per cent of the direct expenses incurred by said Bureau. Except for expenses relating to Parking Meter Personnel, said expenses shall include salaries, miscellaneous expenses, telephone, payroll and office rental. To these expenses shall be added an amount of six (6) per cent which shall represent all additional expenses incurred by Baltimore City, except as otherwise set forth in other Articles of this Agreement.
 2. The amount chargeable for the processing of metered water bills and fire line bills by the Baltimore City Bureau of Data Processing shall be all direct and indirect expenses incurred by the Metered Water Section of said Bureau. Said expenses shall include equipment rental, salaries, miscellaneous expenses, payroll and office rental. To these expenses shall be added an amount of six (6) per cent which shall represent all additional expenses incurred by Baltimore City, except as otherwise set forth in other Articles of this Agreement.
 3. The amount chargeable to Baltimore County for the processing of metered water and fire line bills by the Bureau of Collections and the Bureau of Data Processing shall be based on the unit cost per metered water and fire line bills multiplied by the total number of said bills issued for the County. The unit cost of said bills shall be determined by dividing the sum of the expenses derived by the

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procedures described in the foregoing paragraphs 1 and 2 by the total number of bills issued for metered water and fire lines.

- B. Baltimore County shall, on an annual fiscal year basis, bear its proportionate share of all expenses resulting from the processing of complaints and requests for information, as follows:
1. The amount chargeable to the Baltimore Water System for the processing of complaints from water consumers shall be the product of expenses properly chargeable to the City's Customer Services Division and the ratio developed by dividing the number of water complaints by the total number of complaints processed by that Division. Said expenses shall include salaries, miscellaneous expenses, utilities, payroll and office rental. To these expenses shall be added an amount of six (6) per cent which shall represent all additional expenses incurred by Baltimore City, except as otherwise set forth in other Articles of this Agreement.
 2. The amount chargeable to Baltimore County for the processing of complaints by the Customer Services Division shall be the product of expenses properly chargeable to the Baltimore Water System (as calculated in 1 above) and the ratio developed by dividing the number of Baltimore County Water accounts by the total number of accounts in the Baltimore Water System.

ARTICLE IX DEBT SERVICE

Debt Service resulting from bonds issued by either party to this Agreement for mutually beneficial improvements for which cash reimbursements have not been made by the party other than the issuer party shall be apportioned in the Annual Water Statement, as set forth in this Article.

- A. For improvements accomplished after June 30, 1970:
1. Repair and/or rehabilitation of Raw Water and Treatment Facilities - System Volumetric Method.
 2. Repair and/or rehabilitation of Filtered Water Pumping and Storage Facilities - Zonal Volumetric Method.
- B. Capital expenditures from any bond issue for mutually beneficial improvements, accomplished or under way prior to June 30, 1970, that have been apportioned on the Fiscal 1970 Annual Water Statement shall be continued to be apportioned on the same basis as reflected in said Statement until such time as this Agreement may be amended in reference thereto.
- C. The Debt Service allocated to each political subdivision shall be calculated in the following manner:
1. Debt Service during any fiscal year for each bond issue shall be divided by the total capital expenditures to date from that issue to obtain the debt service percentage for that year for each bond issue.
 2. The capital expenditures apportioned, by the methods specified in paragraphs A and B of this Article, to each political subdivision from each bond issue shall be multiplied by the appropriate debt service percentage to obtain the debt service allocated to each political subdivision from each bond issue.

ARTICLE X MAJOR REPAIRS AND REHABILITATIONS TO FILTERED WATER PIPELINES, TWELVE INCHES AND LARGER IN DIAMETER

Costs for major repairs and/or rehabilitations to Filtered Water Pipelines, twelve inches and larger in diameter, in the Baltimore Water System shall be

apportioned by the original capital construction allocation if the original allocation was made by the Flow Distribution Method. If this was not the Method originally used, then the above mentioned costs shall be apportioned by the Flow Distribution Method for the current design period. This Article shall apply regardless of the Method of Payment, i.e. cash contribution, debt service payments or by the Annual Water Statement.

ARTICLE XI FUTURE FACILITIES

- A. Whenever new Water Facilities and/or enlargements, additions or improvements to existing Water Facilities that may be mutually beneficial to the parties to this Agreement and/or to other political subdivisions are deemed necessary by either party to this Agreement, the Director of the City or the County, in whichever the aforementioned work would be performed, shall promptly notify or be notified by the Director of the other party to this Agreement of the need for said work. Other political subdivisions, not party to this Agreement that may receive benefit from said work shall also be notified by the Director of the City/County wherein the work is to be performed. The Director of the City or the County in whichever said work would be performed shall prepare and transmit the the necessary preliminary studies, designs, and cost estimates to the Director of the other party to the other party to this Agreement for his review and approval. The Director shall also transmit the aforementioned design and cost information to any other political subdivision that may receive benefit from said work.
- B. The capital expenditures for the mutually beneficial Water Improvements constructed after June 30, 1970, shall be apportioned to each benefitted political subdivision by the following methods:
 1. Filtered Water Pipelines - Flow Distribution Method.
 2. Filtered Water Pumping Station and Storage Facilities - Incremental Volume Method.
- C. Capital expenditures allocated to each political subdivision shall be the responsibility of that political subdivision.
- D. Before either party to this Agreement commences a Future Facility as defined in paragraph A of this Article the party not executing the work shall certify to the party executing the work that funds for its share of participation are available. In the event that funds are not available, the parties agree to attempt to obtain funds as expeditiously as possible.
- E. Payment to the party executing the work shall be made by the other party on the basis of progress payments by the executing party based upon work completed. Such payment, billed on the 15th day of each month for the proportionate share of the amount of work completed as of the 1st day of the month, shall be due as of the 15th day of the following month.
- F. On or before the 1st day of November of each year, the Directors shall prepare and exchange lists of mutually beneficial water facilities scheduled for construction in their respective political subdivisions during the two subsequent fiscal years. The said lists, submitted for reciprocal review by both parties to this Agreement and to other political subdivisions, shall include a general description of the projects, estimated costs, estimated ratios of cost responsibility and the purpose for which the proposed projects are intended. Within sixty (60) days after receipt of said lists of mutually beneficial facilities, the party receiving the list shall confirm its intention to financially participate in the costs as pro-

vided in this Article and Article IX. The approval of the City and Counties is subject to further approval in the Case of Baltimore City, by the Board of Estimates, in the case of Baltimore County, by the County Executive, and, in case of other political subdivisions, by appropriate resolution of the governing body.

ARTICLE XII COSTS TO BE RECALCULATED ANNUALLY

- A. Annual Water Statement - On or before the 31st day of December of each year, the City shall submit to the County a statement showing computations of the County's share of costs for the preceding fiscal year. The computations shall be jointly prepared by the City and County as shown in the attached exhibit for fiscal 1970 and shall be in accordance with the principles and methods of costing as set forth in Articles VII, VIII and IX.
- B. Payment - If the County's share of costs exceeds billed revenues from County consumers, less abatements, the County shall remit the difference to the City within sixty (60) days of receiving the Annual Water Statement. If billed revenues from County consumers, less abatements, exceed the County share of costs, the City shall remit the difference to the County within sixty (60) days of forwarding the Annual Water Statement.

ARTICLE XIII ACCESS TO RECORDS

Each party of this Agreement shall have ready access to all plans, office and field records, cost accounts and files of the Baltimore Water System of the other party.

Either party shall have ready access to all schedules, programs, and cost estimates relating to altering or enlarging the Baltimore Water System, or any part thereof.

Each party shall have ready access to all information, records, calculations, and data used to prepare the Annual Water Statement.

ARTICLE XIV ARBITRATION

In the event of any disagreement between the parties to this Agreement over the terms of the Agreement, the parties shall submit, on the demand of either, the matter to arbitration in the following manner: The County shall appoint one arbitrator and the City shall appoint one arbitrator. The two arbitrators so appointed shall select a third, who shall be chairman of the board of arbitration. If the two arbitrators are unable to agree upon the third arbitrator, the Chief Judge of the Court of Appeals shall be requested to designate such third arbitrator, and the written decision of the majority of the board of arbitration shall be final and binding upon both parties.

ARTICLE XV TERM OF AGREEMENT

This Agreement shall be retroactive to July 1, 1969 and shall continue in force and effect until amended by the parties hereto or until a new Agreement is made between the parties.

If it becomes necessary or desirable in the opinion of either party to amend this Agreement, such party shall so notify the other in writing at least 30 days before the end of any calendar year. Such party shall accompany its written notification with a draft of its desired amendment or new Agreement. If the parties are unable to agree, the present Agreement shall continue in force. In the case of disagreement, either party may initiate arbitration proceedings according to Article XIV, above.

If the parties agree to terminate this Agreement, it is understood that the City shall continue to furnish filtered water to consumers in the Baltimore water system, until Chapter 539 of the Acts of 1924 is amended or repealed.

IN WITNESS WHEREOF, the parties hereto have properly executed this Agreement, as of the day, month and year first above written.

ATTEST:

(CITY SEAL)

Lawrence D. Dally
Lawrence D. Dally, Deputy Treasurer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Charles T. Leviness
Charles T. Leviness
Chief Assistant Solicitor
Baltimore Law Department
9-19-72

MAYOR AND CITY COUNCIL OF BALTIMORE

By: [Signature]
Mayor

APPROVED: SEP 20 1972
BOARD OF ESTIMATES OF BALTIMORE

By: [Signature]
Richard Lidinsky
Clerk

ATTEST:

[Signature]

BALTIMORE COUNTY, MARYLAND

By: [Signature]
Dale Anderson
for County Executive

APPROVED AS TO LEGAL FORM:

[Signature]
County Solicitor of Baltimore
County

APPROVED:

[Signature]
Albert B. Kaltenbach, Director
Department of Public Works of
Baltimore County

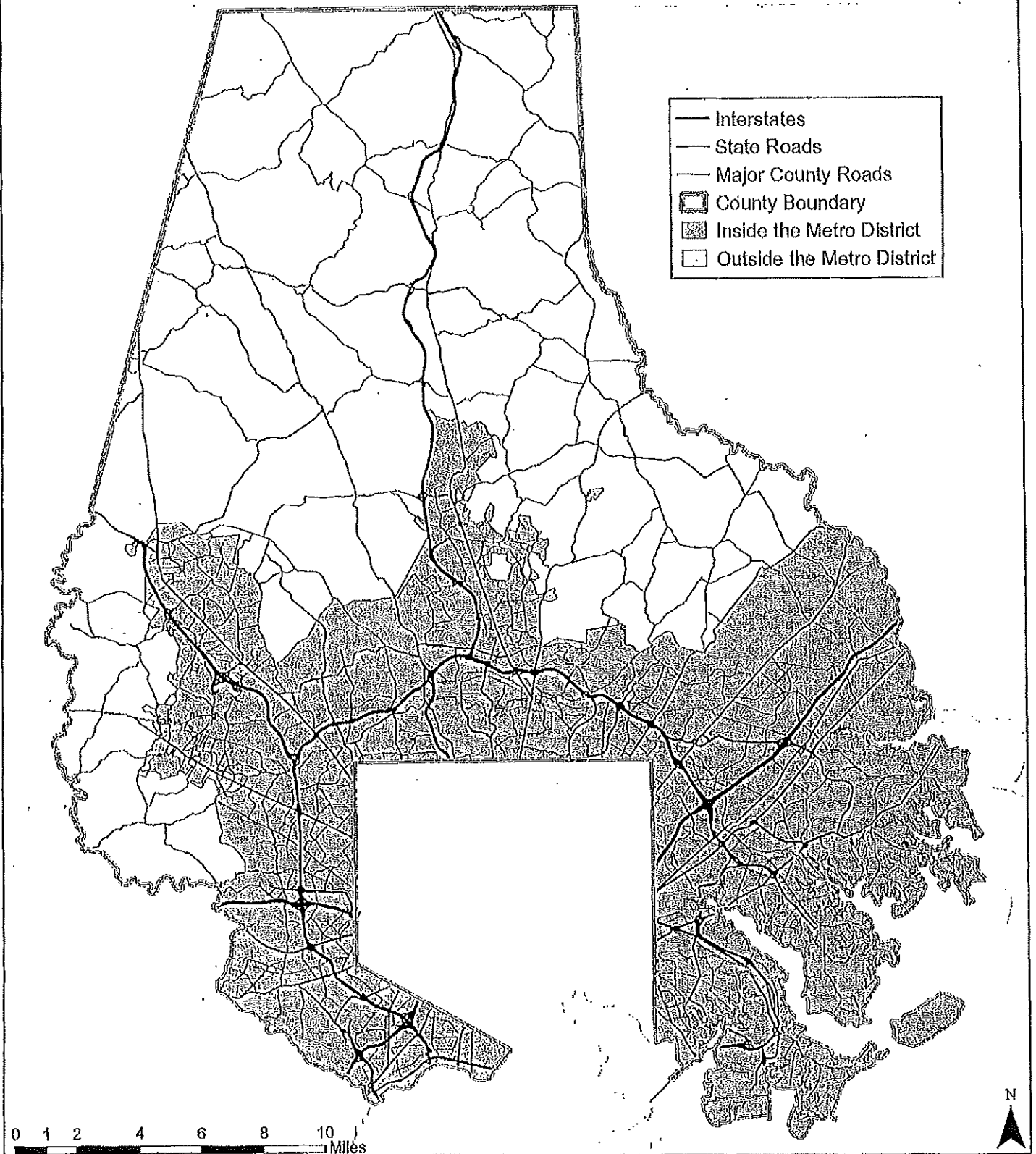
APPROVED AS TO LEGAL SUFFICIENCY:

County Solicitor of Baltimore
County

Exhibit 5

Baltimore City OIG Case # 20-0040-I
Baltimore County OIG Case # 20-018

Metropolitan District Baltimore County, Maryland



0 1 2 4 6 8 10 Miles

1:260,000

Map Prepared November 4, 2016
Metropolitan District last updated in 2014 by the Department of Public Works
External County Boundaries from the US Census Bureau