

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 527 (Delegate Glass)  
Economic Matters

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**Harford County - Department of Public Works - Smart Water Meters**

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This bill requires the Harford County Department of Public Works to provide each affected customer with written notice of the intention of the department to install a smart water meter on the customer’s premises. Harford County must pay \$500 to a customer if the department installs a smart water meter on the customer’s premises without permission. The department is authorized to impose an additional charge of up to \$7 per month on a customer’s bill for use of a standard water meter.

The bill must be construed to apply prospectively and may not be construed to have any effect on the installation of smart water meters in Harford County prior to October 1, 2016.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential significant increase in Harford County expenditures. County revenues are not affected.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law/Background:** Harford County provides direct water and sewer services to approximately 130,000 residents. Harford County is in the final stages of upgrading to a radio-read “smart” system for measuring water/sewer usage. The department of public works has installed 41,030 radio-read water meters throughout the county, with an additional 54 meters scheduled to be upgraded.

Quarterly base residential water and sewer rates (for 5/8" pipe) in Harford County total \$6.56 for water, \$6.10 for sewer, and \$12.66 for both. An additional usage charge is imposed, which ranges from \$6.00 (water and sewer) for less than 32,000 gallons to \$7.32 (water and sewer) for more than 32,000 gallons. Separate rates are imposed in certain parts of the county. The rates are per 1,000 gallons of usage.

**Local Fiscal Effect:** Harford County advises that county expenditures will likely increase as a result of the bill, due to the following factors. The actual amount of the increase cannot be reliably estimated at this time but may be significant depending on the number of residents opting out of the radio-read "smart" system.

- Harford County has converted to a system of radio-read water meters. Prior to this conversion, the water meters were read using touch readers, which operate by touching a handheld device to a sensor attached to each individual meter. The bill will require the county to continue using the touch reader system in parallel with the radio-read system, which in effect will result in operating two systems.
- Harford County's inventory of devices and hardware used in the touch-read system is out of date. Continued use of the touch-read system will require replacement and upgrading of this equipment. Because many water utilities have converted, or are converting to, radio-read water meters, it is assumed that at some later date the touch-read hardware will no longer be supported by the supplier or may no longer be compatible with other components in the system. The county advises that the cost to continue operation of the touch-read system in the future cannot be precisely estimated.
- Harford County estimates that some customers will likely elect to opt out of the new system as a result of the bill which may require the county to make some kind of accommodation for these customers because the existing meter read technology is obsolete and being phased out. The county reports that this will likely require the use and installation of some other form of radio reading device, which would require that the meter be moved to an outside meter setting at a cost of approximately \$2,500 per customer. If 10 to 20 customers per year opt out of the current water meter system, the capital cost to the utility would total approximately \$25,000 to \$50,000 per year.
- The bill's requirements will also cause a higher work load for meter reading staff and increase inaccuracy of the data used to produce water and sewer bills.

## **Additional Information**

**Prior Introductions:** HB 1292 of 2015 was assigned to the House Rules and Executive Nominations Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** Harford County, Maryland Department of the Environment, Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2016  
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