

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 418

(Prince George's County Delegation and Montgomery
County Delegation)

Environment and Transportation

Finance

**Washington Suburban Sanitary Commission - Indirect Customer Assistance
Program**
PG/MC 105-18

This bill authorizes the Washington Suburban Sanitary Commission (WSSC) to establish an Indirect Customer Assistance Program to provide financial assistance to eligible indirect customers for water and sewer service. An indirect customer is an individual who receives water or sewer service or both from WSSC but is not billed by WSSC. If established, WSSC must specify income eligibility standards and a process for indirect customers to receive financial assistance. These standards must be applied uniformly throughout the sanitary district. The program must be funded through commission revenues. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: None. WSSC indicates that while the bill will expand program eligibility to include additional recipients, overall funding for the program will remain the same.

Small Business Effect: None.

Analysis

Current Law: As required by Chapter 474 of 2015, WSSC established a Customer Assistance Program (CAP) in 2015 to provide financial assistance with water and sewer bills to eligible ratepayers. Ratepayers are customers who hold accounts with WSSC and

are primarily responsible for payment of accrued water and sewer charges. The program was designed to mitigate the effect of years of rate increases on lower income payers while still allowing the commission to fund infrastructure improvements. However, WSSC is prohibited from extending program benefits to indirect customers. Indirect customers are individuals who indirectly pay for water and sewer services through combined residential costs such as rent, condominium fees, or homeowner's association fees.

Background: The WSSC budget included \$1.3 million for CAP in fiscal 2017 and \$0.9 million in fiscal 2018. The commission's proposed fiscal 2019 budget includes \$888,000 in funding for the program. WSSC indicates that 7,700 ratepayers participated in CAP in fiscal 2017 and received approximately \$858,100 in assistance.

WSSC is among the largest water and wastewater utilities in the country, providing water and sewer services to 1.8 million residents in Montgomery and Prince George's counties. It has approximately 475,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,500 people. The commission operates three reservoirs, two water filtration plants, and six wastewater treatment plants. The six wastewater treatment facilities, as well as the Blue Plains Advanced Wastewater Treatment Plant, handle more than 200 million gallons of wastewater per day. The commission maintains more than 5,700 miles of water main lines and over 5,500 miles of sewer main lines.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery and Prince George's counties; Washington Suburban Sanitary Commission; Department of Legislative Services

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