

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 325

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

Environment and Transportation

Finance

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Washington Suburban Sanitary Commission - Indirect Customer Assistance  
Program  
MC/PG 105-19

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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 bill also adds a provision that requires that the Customer Assistance Program and the Indirect Customer Assistance Program be funded from WSSC revenues. **The bill takes effect July 1, 2019.**

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**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.

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**Analysis**

**Current Law:** As required by Chapter 474 of 2015, WSSC established a customer assistance program 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 \$0.9 million for the customer assistance program in fiscal 2018 and \$0.95 million in fiscal 2019. The commission's proposed fiscal 2020 budget includes \$0.98 million in funding for the program. WSSC indicates that 10,405 ratepayers participated in the customer assistance program in fiscal 2018 and received \$928,354 in assistance.

The bill addresses an issue highlighted by the U.S. Environmental Protection Agency (EPA) in an April 2016 report entitled "Drinking Water and Wastewater Utility Customer Assistance Programs." The EPA found that, for various reasons, not all customers in need of assistance programs are reached, including renters.

Customer assistance programs often require the recipient of the program to be the owner of the residence. As a result, landlords cannot receive benefits and pass them along. Since low-income households are less likely to own the home they occupy, the owner requirement prevents access to customer assistance programs. The EPA concluded that utilities developing a customer assistance program should look for ways to reach individuals who are not owner-occupiers.

The EPA identified the Baltimore City Department of Public Works as another local water utility that provides customer assistance programs in Maryland. While the program provides discounts to low-income households and low-income senior citizens, similar to WSSC's customer assistance program, it also requires them to be the property owners.

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 approximately 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:** HB 418 of 2018 passed the House and received a hearing in the Senate Finance Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** U.S. Environmental Protection Agency; Washington Suburban Sanitary Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2019  
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