

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 1057 (Montgomery County Delegation and  
Prince George's County Delegation)

Environmental Matters

Education, Health, and Environmental  
Affairs

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**Washington Suburban Sanitary Commission - Sewer Usage Charges**  
**MC/PG 120-05**

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This bill authorizes a commercial, industrial, or multiresidential property to use a separate metered connection, on the condition that the owner, tenant, or occupant of the property requests to be billed by a formula determined by the Washington Suburban Sanitary Commission (WSSC). This formula will credit the owner, tenant, or occupant for separately metered water not entering the sewerage system. For those properties that are not charged sewer usage charges based on this formula, sewer usage charges will be based on the total amount of water used less the amount of the separately metered water. For those properties that are charged based on this formula, sewer usage charges will be based on the total amount of water used less the amount of separately metered water, as well as the amount of separately metered water as adjusted by the formula.

The bill takes effect June 1, 2005.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** WSSC revenues would decrease by \$1.2 to \$2.1 million annually beginning in FY 2006. WSSC expenditures would increase by \$100,000 in FY 2006 only.

**Small Business Effect:** Minimal.

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## Analysis

**Current Law:** WSSC charges for sewer usage based on the amount of water consumed, even if all the water does not enter the sewerage system.

**Background:** WSSC is among the 10 largest water and sewer utilities in the country, providing water and sewer services to 1.6 million residents in Montgomery and Prince George's counties. It has a total budget of \$691 million in fiscal 2005, 420,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,500 people. This agency operates four reservoirs, two water filtration plants, and six wastewater treatment plants.

Recently WSSC found an error in their billing system whereby such businesses as laundries and companies utilizing water cooling towers were discharging a portion of the water they received from WSSC into the sewer system. These companies, however, were not being charged a sewer usage fee. Once the error was found, however, WSSC back-billed these companies for one year of sewer usage. WSSC billed these businesses, however, based on the statutory requirement that sewer usage charges be based upon the water amount received from WSSC. This did not account, however, for the fact that much of the water used by laundries and in water cooling towers did not go into the sewer system.

**Local Fiscal Effect:** WSSC advises that commission revenues could decrease by approximately \$1.2 to \$2.1 million. The actual decrease would depend upon the sewer usage charge formula implemented by the commission. Additionally, WSSC advises that there would be a one-time estimated expense of \$100,000 to modify the customer billing system to accommodate the change.

**Small Business Effect:** Small businesses that qualify under this bill would see a reduction in their sewer usage charges.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Montgomery County, Prince George's County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2005  
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