

HOUSE BILL 1168

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HB 409/18 – ENV

5lr1067

By: **Montgomery County Delegation and Prince George’s County Delegation**
Introduced and read first time: February 6, 2025
Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission – Service Charges**

3 **MC/PG 112–25**

4 FOR the purpose of authorizing the Washington Suburban Sanitary Commission to
5 establish certain customer classes for certain service rates or charges; requiring that
6 service rates for each customer class shall be chargeable against certain properties
7 and shall be uniform for a given class throughout the Washington Suburban
8 Sanitary District; authorizing the minimum or ready to serve charge to include a
9 certain component; altering the criteria on which the minimum or ready to serve
10 charge may be based; and generally relating to the service rates of the Washington
11 Suburban Sanitary Commission.

12 BY repealing and reenacting, with amendments,
13 Article – Public Utilities
14 Section 25–501 and 25–502(a)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2024 Supplement)

17 Preamble

18 WHEREAS, Under current law, the Washington Suburban Sanitary Commission
19 must establish rates and charges that are uniform throughout the sanitary district; and

20 WHEREAS, Other Maryland water and sewer providers, such as the providers in
21 Baltimore City, Howard County, and the City of Rockville, have the authority to establish
22 rates and charges by customer classes; and

23 WHEREAS, The Commission has been reviewing and considering alternative rate
24 structures over the last several years; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 WHEREAS, During the review of other alternative rate structures, the Commission
2 has noted that the vast majority of public water and sewer providers across the country
3 similar in size and structure to the Commission have the authority to establish rates and
4 charges by customer classes; and

5 WHEREAS, Establishing rates and charges by class allows for a more equitable
6 recovery of costs from customers, based on the demands that they place on the water and
7 sewer systems; and

8 WHEREAS, The authority of the Commission to establish rates or charges by
9 customer classes includes establishing classes by meter size and also the ability to establish
10 a surcharge on residential customers in the summer to encourage water conservation; and

11 WHEREAS, The American Water Works Association's Manual of Practice M-1
12 "Principles of Water Rates, Fees and Charges, Seventh Edition" and the Water
13 Environment Federation's Manual of Practice No. 27 "Financing and Charges for
14 Wastewater Systems", the industry's best practices manuals, include multiple examples of
15 class-based rates, fees, and charges; now, therefore,

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 Article – Public Utilities

19 25–501.

20 (a) **IN THIS SECTION, "CLASS" INCLUDES A CLASS BASED ON THE SIZE OF**
21 **THE METER ON THE WATER CONNECTION LEADING TO A PROPERTY.**

22 (b) The Commission shall set [a service rate] **ONE OR MORE SERVICE RATES**
23 that the Commission considers necessary to provide funds for:

24 (1) maintaining, repairing, and operating its water supply and sewer
25 systems, including the overhead expense and depreciation allowance; and

26 (2) making any payments to the District of Columbia, as specified in this
27 title.

28 [(b)] (c) [The] **EACH** service rate:

29 (1) shall be chargeable against all properties **IN A CLASS** for a connection
30 with any line owned by the Commission;

31 (2) shall be uniform **FOR THE CLASS** throughout the sanitary district; and

32 (3) may be changed as necessary.

1 **(D) THE COMMISSION MAY ESTABLISH ONE OR MORE CUSTOMER CLASSES**
2 **FOR ANY SERVICE RATE OR CHARGE ESTABLISHED UNDER THIS TITLE.**

3 25–502.

4 (a) (1) Except as provided in this subtitle, [the] **EACH** service rate for water
5 shall consist of:

6 (i) a minimum or a ready to serve charge, **WHICH MAY INCLUDE**
7 **AN INFRASTRUCTURE INVESTMENT COMPONENT**; and

8 (ii) a charge for water used.

9 (2) The minimum or ready to serve charge [shall] **MAY** be based on the size
10 of the meter on the water connection leading to [the] **A property OR ON OTHER CRITERIA**
11 **DETERMINED IN ACCORDANCE WITH REGULATIONS THE COMMISSION ADOPTS.**

12 (3) The charge for water used shall be based on the amount of water
13 passing the meter during the period between the last two readings.

14 (4) The meter shall be placed on each water connection by and at the
15 expense of the Commission.

16 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
17 **1, 2025.**