

HB 1024 - MoCo_Boucher_FAV (Senate) (GA 24).pdf

Uploaded by: Kathleen Boucher

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Montgomery County

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HB 1024

DATE: March 21, 2024

SPONSOR: Prince George's County Delegation and Montgomery County Delegation

ASSIGNED TO: Education, Energy, and the Environment

CONTACT PERSON: Kathleen Boucher (Kathleen.boucher@montgomerycountymd.gov)

POSITION: Support

Washington Suburban Sanitary Commission – Connection Pipe Emergency Replacement Loan Program – Expansion PG/MC 101-24

This bill was requested by the Washington Suburban Sanitary Commission (WSSC Water). It expands the Connection Pipe Emergency Replacement Loan (PipeER) Program that was established by WSSC Water in 2019 as required by State law. The purpose of the PipeER program is to issue loans to residential customers to finance the replacement of malfunctioning water service connection pipes located on a customer's property that connect the residence to the WSSC Water service connection pipe in the public right-of-way. The program is administered by the WSSC Federal Credit Union in accordance with a Memorandum of Understanding between the credit union and WSSC Water.

State law currently requires WSSC Water to annually allocate \$100,000 of ratepayer funds between fiscal years 2020 and 2029 to a special fund created to administer the PipeER program. If the special fund is not depleted in any given fiscal year, the surplus reverts to WSSC Water's general fund. The program allows customers to obtain loans of up to \$5,000 on a first-come, first-serve basis and there is a cap of \$1 million for total outstanding loans at any time. A total of six loans have been issued since the program was established in fiscal year 2020; five in Prince George's County and one in Montgomery County. The total annual loan amounts issued in fiscal years 2020 through 2023 were \$3,000, \$4,000, \$14,200, and \$4,500, respectively.

The Washington Suburban Master Plumber's Association suggested to WSSC Water that the PipeER program be expanded to include sewer pipes and diagnostic services. The bill expands the scope of the PipeER Program by: (1) broadening the definition of "pipe" to include sewer service connection pipes; (2) broadening the eligible uses of a loan to include diagnostic services as well as replacement of malfunctioning pipes; (3) increasing the maximum loan amount from \$5,000 to \$10,000; (4) increasing the annual allocation of ratepayer funds from \$100,000 to \$200,000; and (5) extending the sunset date for five years so that the program ends in fiscal year 2034 rather than fiscal year 2029.

The County Executive and County Council support WSSC Water's efforts to expand the scope of the PipeER program to assist County residents in addressing malfunctions with water and sewer service connection pipes and respectfully request that the Education, Energy, and the Environment Committee give the bill a favorable report.

HB1024 WSSC Connection Pipe Emergency Replacemen

Uploaded by: Monica Marquina

Position: FAV



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March 21, 2024

The Honorable Brian J. Feldman
Committee Chair
Education, Energy and Environment
Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

The Honorable Cheryl C. Kagan
Committee Vice Chair
Education, Energy and Environment
Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Re: HB 1024 Washington Suburban Sanitary Commission – Connection Pipe Emergency Replacement Loan Program – Expansion

Good Afternoon Chair Feldman, Vice Chair Kagan, and Committee Members:

My name is Monica Marquina, and I am the Director of Government Affairs at WSSC Water. I am here to testify in support of the HB1024 Washington Suburban Sanitary Commission – Expansion of the Connection Pipe Emergency Replacement Loan Program.

The proposed legislation will allow for the expansion of the program authorized by the Public Utilities Article of the Annotated Code of Maryland Section 23-205 to include sewer service line repair or replacement, camera investigation, or snaking. Currently, this program only covers water service line replacement. Additionally, the proposed legislation increases the maximum loan amount from \$5,000 to \$10,000. The request also would extend the program's sunset date from 2029 to 2034.

WSSC Water established the Connection Pipe Emergency Replacement Loan Program. This program began on July 1, 2019, and is set to expire on June 30, 2029. There is currently \$100,000 allocated in the annual budget for this program; if passed, that amount is proposed to be increased to \$200,000.

The program provides loans to eligible residential customers to finance the replacement of their leaking water service line that connects from the Commission's service connection to the residence. This program is administered by the WSSC Federal Credit Union. Despite a robust promotional plan, only six loans have been disbursed since 2019.

Chair Feldman, Vice Chair Kagan, and Delegation Members

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Expansion of the program would provide an additional way for this funding to be leveraged for customers in need of water or sewer work. Additionally, these repairs and replacements can often exceed \$5,000. Through the relationship and conversations with the Washington Suburban Master Plumber's Association (WSMPA), they have suggested we expand the Connection Pipe Emergency Replacement Loan Program to include sewer repair and replacement work. Since these members of WSMPA work directly with our customers, this insight is critical to providing a more comprehensive loan program to our customers.

The proposed legislation aligns with WSSC Water's financial stewardship priority and this initiative would expand an existing customer assistance program. For the last few years, any remaining funds from PipeER at the end of the fiscal year have been donated back to the Water Fund to assist even more customers with their water and sewer bills.

We respectfully request a favorable report for HB 1024. I am available to answer any questions you may have.

Sincerely,

DocuSigned by:



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Monica Marquina

Director of Government Affairs