



Montgomery County

Office of Intergovernmental Relations

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HB 1024

DATE: March 8, 2024

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

ASSIGNED TO: Environment and Transportation

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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 Environment and Transportation Committee give the bill a favorable report.