

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Preliminary

MC/PG 105-19

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

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

This proposed 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 program must be funded through commission revenues. **The bill takes effect July 1, 2019.**

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.

Analysis

Current Law: As required by Chapter 474 of 2015, WSSC established a Customer Assistance Program (CAP) 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 \$1.3 million for CAP in fiscal 2017 and \$0.9 million in fiscal 2018. The commission's fiscal 2019 budget includes \$888,000 in funding for the program. WSSC indicates that 7,700 ratepayers participated in CAP in fiscal 2017 and received approximately \$858,100 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 CAP, 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 around 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: Unavailable at this time.

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

Fiscal Note History:
mag/tso

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