RESOLUTION NO.: 2025-2384 Adopted Date: January 15, 2025 Effective Date: March 1, 2025

WASHINGTON SUBURBAN SANITARY COMMISSION

Subject: A RESOLUTION adopting a regulation creating a Temporary Water Bill Amnesty Program ("Temporary Amnesty Program").

WHEREAS, the Washington Suburban Sanitary Commission ("Commission" or "WSSC Water") is authorized by the Maryland Annotated Code, Public Utilities Article ("PUA") §25-504 to take certain collections actions with regards to delinquent water and sewer accounts, including termination of service; and

WHEREAS, the Commission is authorized by PUA §17-403 to adopt regulations to carry out the provisions of Division II of the PUA and any other laws, the enforcement and administration of which are vested in the Commission; and

WHEREAS, the Commission is authorized by PUA § 25-501.1 to establish a Customer Assistance Program and to establish income eligibility standards for ratepayers to receive financial assistance under the Program; and

WHEREAS, for public health reasons during the Coronavirus pandemic, WSSC Water did not terminate water service for non-payment for residential properties from March 12, 2020 through September 13, 2021; and

WHEREAS, water bill delinquencies increased significantly during the period in which WSSC ceased terminating water service for non-payment; and

WHEREAS, water and sewer bill delinquencies for all customers totaled approximately \$36 million dollars in March of 2020 and rose to a high of \$70 million in October of 2021 during the Coronavirus pandemic; and

WHEREAS, water bill delinquencies for all customers currently total \$58 million dollars; significantly exceeding our pre-pandemic delinquencies; and

WHEREAS, \$43.2 million dollars of the \$58 million dollar delinquency total is for residential accounts; and

WHEREAS, the \$43.2 million dollar delinquency for residential customers comprises 91,168 of the residential accounts; and

WHEREAS, \$14.8 million dollars of the \$58 million dollar delinquency total is for non-residential accounts; and

WHEREAS, the Commission has received assistance for residential customers through government relief programs and the WSSC Water Fund; however, customers' financial needs are above the level of aid, and delinquencies remain high; and

WHEREAS, WSSC Water needs to continue to demonstrate a sustained improvement in financial conditions to maintain the AAA bond rating received in February of 2024 through sustained financial performance and a positive outlook; and

WHEREAS, WSSC Water's bond rating could be affected by a continuing high delinquency rate and the resulting impact on WSSC Water's operating revenues and financial position; and

WHEREAS, a lower bond rating would result in WSSC Water paying a higher interest rate on the bonds for capital projects which would increase WSSC Water's debt service costs; and

WHEREAS, given the ongoing economic uncertainty caused by current inflationary pressures and in recognition of continued customer financial challenges in resolving water and sewer bills, WSSC Water wishes to implement a Temporary Amnesty Program as an incentive for customers to satisfy the delinquent balances before risking water shut-off; and

WHEREAS, under the Temporary Amnesty Program, eligible customers who pay their delinquent bill will be eligible for bill credits to utilize towards future bills; and

WHEREAS, under the Temporary Amnesty Program, other residential customers, commercial accounts, and multi-unit residential accounts with master meters will be eligible for waivers of certain fees; and

WHEREAS, the rules for the program, including eligibility requirements, are set forth in the attached regulation;

NOW, THEREFORE, BE IT RESOLVED, this 15th day of January 2025, that the Commission hereby adopts the attached Temporary Water Bill Amnesty Program regulation; and

BE IT FURTHER RESOLVED that the Temporary Water Bill Amnesty Program regulation shall be effective on March 1, 2025; and

BE IT FURTHER RESOLVED, that notice of this regulation shall be published in at least one (1) newspaper published in each county of the Washington Suburban Sanitary District for at least thirty (30) days prior to the effective date; and

BE IT FURTHER RESOLVED that this regulation shall be effective March 1, 2025, and with no further action required of the Commissioners, shall be null and void on July 1, 2025. If the General Managers/CEO extends the Temporary Amnesty Program until July 31, 2025, as provided for in Section IV(b) of the regulations, then this regulation, with no further action required of the Commissioners, shall be null and void on August 1, 2025.

A True Copy.

Attest

Julianne M. Montes De Oca Corporate Secretary