



## St. Mary's County Metropolitan Commission

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## RESIDENTIAL CONNECTION INCENTIVE PROGRAMS

### [HB 275: NEW LEGISLATION IN EFFECT – Connection Incentive Programs](#)

*Three (3) new pilot programs are planned to be offered by the St. Mary's County Metropolitan Commission, in conjunction with the authority granted by the Maryland General Assembly during the 2018 Legislative Session, under Chapter 113 of the St. Mary's County Code:*

#### **CONNECTION INCENTIVE PROGRAM - RESIDENTIAL ASSISTANCE FOR WATER & SEWER CONNECTIONS.**

Requiring mandatory connections for property owners that have functioning wells and septic fields is problematic and has been debated locally for many years. Private lines and connections are not accepted into the Metropolitan Commission's public infrastructure maintenance system. The property owner may have a failed septic system and cannot get his/her parcel to pass a percolation test, may not have sufficient open space to add a new drainage field, may have a contaminated well, or may simply want the convenience and security of public service. In order to provide a **voluntary** mechanism whereby MetCom could encourage customer base growth, the St. Mary's County's Metropolitan Commission and Commissioners of St. Mary's County requested and were granted the legislative authority by the Maryland General Assembly, in Chapter 113-9 of the St. Mary's County Code, to offer Connection Incentive Programs and other financing mechanisms to assist owners of **existing residential properties** currently served by septic and/or well systems, with all or a portion of the costs of connecting to available public sewer and water systems in accordance with the St. Mary's County Comprehensive Water & Sewerage Plan. Limited funding will be available on a first come first served basis through a \$250,000 operating revolving loan fund to provide combined loans of up to \$25,000 per property. Once completed, the amortization period for the benefitted properties to retire (*reimburse MetCom*) the cost for the water and/or sewer infrastructure improvements would be spread over a period not to exceed five (5) years. Longer term payback periods (*ie. up to 10 years*) may also be available for individuals / households that meet certain financial eligibility criteria.

#### **CAPITAL CONTRIBUTION PAYMENT DEFERRAL PROGRAM - RESIDENTIAL & COMMERCIAL.**

Historically, connecting to public water or sewer required payment of a capital contribution charge at the time of application for connection. In order to provide some initial upfront cost relief and to help incentivize connections, property owners will soon have the option of paying only 50% of the capital contribution charge at the time of application in lieu of the full amount. The remaining balance of the charge can be deferred with payment made in installments up until the time of actual connection to a water main or sewer (*ie. closer to the time of Use & Occupancy*). If a connection is not made within six (6) years of the date of application for a connection, then the most current charges will be applied. Based on demand for new connections and the availability of funding, this new payment deferral program will be initially available to all *new sewer customers only*, and will help support the Chesapeake Bay cleanup efforts and assist those properties with failing septic systems. Supplemental funding of \$500,000 to help sustain this program will be made available through the allocation of a portion of MetCom's restricted reserves. A similar capital contribution charge payment deferral program for new water connections should be available within the next several years.

**SPECIAL BENEFIT ASSESSMENT (SELF HELP) PROGRAM - EXTENSIONS OF SERVICE OF WATER & SEWER SYSTEMS.** There is an identified need for extending, expanding, and upgrading water and sewer systems to serve residential communities and individual properties and making them suitable for acceptance into the Metropolitan Commission's public infrastructure maintenance system. This issue is one which can and does have the implication for a significant outlay of capital improvement funds. Without a mandatory connection policy, the existing customer base would be required to finance the capital expenses that were of no direct benefit to them. However, to provide a **voluntary** mechanism whereby this issue could be dealt with, the St. Mary's County's Metropolitan Commission and Commissioners of St. Mary's County requested and were granted the legislative authority by the Maryland General Assembly, in Chapter 113-9 of the St. Mary's County Code, to create Special Benefit Assessment Charges or Service Extension Fees for repayment of actual costs associated with extensions, expansions, and upgrades of water or sewerage systems to areas not already served. In short, individual residential property owners or communities may petition the MetCom to extend service to their property through a capital financing program. Once completed, the amortization period for the benefited properties to retire (*reimburse MetCom*) the cost for the water and/or sewer infrastructure improvements would be spread over a period of up to twenty (20) years. This program will be offered and approved through the annual capital budget and plan process.

*In addition, there are two (2) other programs currently in place in place to assist residents in both the upgrade to private sewer systems / connections to public sewer systems and the corresponding maintenance of both private water and sewer systems:*

**BAY RESTORATION FUNDING GRANT – ASSISTANCE TO RESIDENTIAL & COMMERCIAL PROPERTIES.**

The Health Department announced that effective April 8, 2019, "small businesses" can receive up to 75% in grant funding toward the upgrade of their on- site Sewer Disposal System (OSDS) with Best Available Technology (BAT), or funding toward a connection to the established public sewer. Unlike a loan, a grant does not have to be paid back. In the case of connections to public sewer, the grant will be awarded for 75% of eligible costs up to \$15,000. Businesses that do not qualify as a small business will continue to receive sewer connection grant for 50% of eligible costs, up to \$10,000. Residential connections may be eligible for up to \$20,000 per residence to assist in connecting to a public sewer system. In addition, any property owner that utilizes an on-site sewage disposal system may be eligible for a grant. To see if you qualify, contact the St. Mary's County Health Department at (301) 475-4321 or visit their website at [www.smchd.org](http://www.smchd.org) and click on "Bay Restoration Grant Application." Or you may visit the St. Mary's County Health Department, Division of Environmental Health at 21580 Peabody Street, Leonardtown, MD to pick up an application.

**WARRANTY PROGRAM – RESIDENTIAL AND COMMERCIAL PROPERTIES.**

The Metropolitan Commission (MetCom) approved an agreement with Utility Services Partners, Inc. (USP) in order to help facilitate the repairs to the private side of service lines where MetCom has no responsibility. Refer to our Frequently Asked Questions (FAQ's) on this new program at [www.metcom.org/](http://www.metcom.org/). MetCom customers are now being offered a voluntary month-to-month water and sewer service line repair program for the private connections to their homes, which includes thawing and frozen pipe coverage. Service plans available through this partnership with USP will provide homeowners and light commercial properties (*served by 1" service lines or less*) with an affordable, cost effective way to manage the unexpected expense and inconvenience of emergency in-home plumbing and external water / sewer line repairs leaks, breaks, and clogs. MetCom customers (residential and light commercial) will have: a voluntary opportunity to participate in the program; the advantage of the National League of Cities discounted rates; a full time 24 hours a day 7 days a week live operator hotlines; monies set aside for assistance to qualified low income applicants; unique website access to information. As a part of the agreement, USP will also be setting aside funds to help pay for repairs and other assistance for low income homeowners through a simple on line application process that can be reviewed at <https://www.HomeServeCares.com>. Participants in the program will be eligible to purchase low-cost repair service plans covering up to \$8,500 per occurrence and our goal is to use local plumbers / contractors to the fullest extent practical to help keep money in the local economy. Contractors that are dispatched to the homeowner's residence undergo background, driving, drug and criminal checks before being accepted in to the "network".

**We trust you will consider becoming a MetCom customer and can take advantage of one or more of these programs. If you are already a customer, we would ask that you share this information with a neighbor or someone else that you feel might benefit. In the interim, please do not hesitate to contact us at [engineering@metcom.org](mailto:engineering@metcom.org) or Mr. Daryl Calvano, Director of Environmental Health at (301) 475-4321 [daryl.calvano@maryland.gov](mailto:daryl.calvano@maryland.gov) if you have any questions.**

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