

Amendments: (Please note that the amendments below combine the three sets of amendments approved by the Committee and make technical additions and corrections)

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

AMENDMENTS TO HOUSE BILL 634
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Conservation**” and substitute “**Efficiency Tariffed**”; in lines 6 and 27, strike “Conservation” and substitute “**Efficiency Tariffed**”; in line 15, after “issuance;” insert “providing for the terms of a certain agreement between the Commission and a customer to accept a tariffed obligation for the installation of a water efficiency upgrade;”; in lines 19 and 20, strike “financial assistance” and substitute “costs for installing a water efficiency upgrade;”; in line 20, strike “acquires” and substitute “occupies”; in line 22, after “that” insert “the obligation to repay”; in lines 22 and 23, strike “constitutes a lien on certain property” and substitute “shall be binding on certain customers”; and in line 26, after “conditions” insert “authorizing the Commission to finance loans made through the Program by certain methods under certain circumstances;”.

On page 2, in line 3, strike “Conservation” and substitute “**Efficiency**”; in line 4, strike “Conservation” and substitute “**Efficiency Tariffed**”.

AMENDMENT NO. 2

On page 2, in line 11, strike “**CONSERVATION**” and substitute “**EFFICIENCY**”; in line 17, strike “**CONSERVATION**” and substitute “**EFFICIENCY TARIFFED**”; in line 25, strike “**LOANS**” and substitute “**EFFICIENCY MEASURES INSTALLED AND PAID FOR**”.

On page 4, in line 15, strike in their entirety lines 15 through 20, inclusive, and substitute:

**“(I) MAKE AVAILABLE THE PROCEEDS TO PAY THE UPFRONT
COSTS FOR A CUSTOMER TO INSTALL A COMMISSION APPROVED WATER EFFICIENCY
UPGRADE, PROVIDING THAT THE CUSTOMER AGREES TO REPAY ALL COSTS
ASSOCIATED WITH THE INSTALLATION THROUGH A TARIFFED SURCHARGE; AND**

(II) ENTER INTO AN AGREEMENT TO ACCEPT A TARIFFED OBLIGATION FOR THE INSTALLATION OF A WATER EFFICIENCY UPGRADE.

(3) THE AGREEMENT ENTERED INTO UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION SHALL INCLUDE PROVISIONS THAT:

(I) SPECIFY THAT IF THE CUSTOMER FAILS TO PAY THE TARIFFED SURCHARGE, THE COMMISSION MAY TERMINATE WATER AND SEWER SERVICE;

(II) REQUIRE THE CUSTOMER AND THE COMMISSION TO DISCLOSE THE OBLIGATION TO PAY THE TARIFFED SURCHARGE TO THE SUBSEQUENT OWNER OR OCCUPANT OF THE PROPERTY;

(III) STATE THAT IF THE CUSTOMER FAILS TO DISCLOSE THE OBLIGATION TO PAY THE TARIFFED SURCHARGE TO THE SUBSEQUENT OWNER OR OCCUPANT, THE CUSTOMER ASSUMES ALL LIABILITY FOR THE REMAINING EXPENSES RELATED TO THE REPAYMENT OF COSTS ASSOCIATED WITH THE INSTALLATION OF THE WATER EFFICIENCY UPGRADE, INCLUDING COLLECTION, LEGAL EXPENSES, AND CONSEQUENTIAL DAMAGES;

(IV) PROHIBIT THE CUSTOMER FROM DAMAGING OR DESTROYING THE INSTALLED WATER EFFICIENCY UPGRADE;

(V) STATE THAT:

1. IF THE WATER EFFICIENCY UPGRADE FAILS TO FUNCTION, THE CUSTOMER SHALL NOTIFY THE COMMISSION AND IF IT IS DETERMINED THAT THE FAILURE WAS NOT CAUSED BY THE CUSTOMER THE CUSTOMER SHALL BE UNDER NO FURTHER OBLIGATION TO PAY THE TARIFFED SURCHARGE UNTIL THE COMMISSION OR ITS AGENT REPAIRS THE UPGRADE;

2. IF THE COMMISSION OR ITS AGENT REPAIRS THE UPGRADE THE TARIFFED SURCHARGE SHALL RESUME AND MAY BE EXTENDED TO RECOVER THE COST OF REPAIR; AND

3. IF THE FAILURE IS DETERMINED TO BE CAUSED BY THE CUSTOMER THE REPAIR SHALL BE RESPONSIBILITY OF THE CUSTOMER AND TARIFFED SURCHARGE SHALL BE PAID IN FULL IMMEDIATELY; AND

(VI) STATE THAT ALL CONTRACTORS ALLOWED TO INSTALL WATER EFFICIENCY UPGRADES UNDER THE AGREEMENT SHALL BE BONDED AND PROVIDE IRREVOCABLE LETTERS OF CREDIT OR OTHER SUFFICIENT INSURANCE AS DETERMINED BY THE COMMISSION AND PARTICIPATE IN ARBITRATION AS OVERSEEN BY THE COMMISSION OR ITS AGENT.”.

On page 6, in lines 23, 25, and 29, in each instance strike “CONSERVATION” and substitute “**EFFICIENCY TARIFFED**”; in line 25, before “IN” insert “**(A)**”; in the same line strike “SUBTITLE,” and substitute “**SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**”

(B)”; and after line 27, insert:

“(C) “WATER EFFICIENCY UPGRADE” MEANS THE INSTALLATION OF A PRODUCT CERTIFIED BY THE UNITED STATE ENVIRONMENTAL PROTECTION AGENCY AS A WATERSENSE PRODUCT.”.

On page 7, in lines 7 and 8, strike “FINANCIAL ASSISTANCE” and substitute “**THE COST FOR INSTALLING A WATER EFFICIENCY UPGRADE**”; in line 11, strike “AMOUNT OF THE LOAN” and substitute “**COST OF THE INSTALLATION**”; in line 16, strike “ACQUIRES” and substitute “**OCCUPIES**”; strike lines 19 and 20 and substitute:

“(E) THE OBLIGATION TO REPAY A SURCHARGE UNDER THIS SECTION, INCLUDING ANY INTEREST AND PENALTIES, SHALL BE BINDING ON ANY CUSTOMER AT THAT PREMISES.”; and in line 23, strike “CONSERVATION” and substitute “**EFFICIENCY**”.

On page 8, strike lines 3 through 5 in their entirety and substitute:

“THE COMMISSION MAY PAY THE UPFRONT COSTS OF WATER EFFICIENCY UPGRADES THROUGH THE PROGRAM:

(1) BY ISSUING BONDS AS PROVIDED IN TITLE 22, SUBTITLE 3 OF THIS ARTICLE;

(2) TO THE EXTENT PROVIDED FOR IN THE COMMISSION'S
OPERATING BUDGET;

(3) FROM ANY RESERVE FUNDS HELD BY THE COMMISSION; AND

(4) THROUGH THIRD PARTY LENDERS APPROVED BY THE
COMMISSION."