



American Water Works Association



ASSOCIATION OF METROPOLITAN WATER AGENCIES



November 16, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi and Majority Leader McConnell,

The country's approximately 50,000 drinking water and 15,000 wastewater utilities have the vital public responsibility of supplying the public with safe drinking water, wastewater service, and water recycling services every second of every day. Local water utilities have successfully provided the public with essential drinking water, sanitation service, and water recycling during the coronavirus pandemic. As Congress debates the next COVID-19 relief package, the undersigned organizations representing local governments, water utilities, water-related businesses, and non-profit organizations urge that the legislation reflect the following priorities.

Help Low-income Customers Pay Their Water Bills

Each version of the HEROES Act approved by the House of Representatives this year (H.R. 6800 and H.R. 925) contained language to establish a \$1.5 billion Low-Income Household Drinking Water and Wastewater Assistance program, which would provide funds to local water and wastewater utilities to offset water rates charged to low-income customers during the pandemic. Water systems report that delinquent residential water accounts have increased dramatically over the past several months – especially among low-income customers – so this type of targeted assistance is vital to getting these vulnerable customers back on track while also providing a needed stream of operational funds to water and wastewater systems. We request that this or a similar low-income customer assistance program is maintained in any pandemic relief package.

Avoid Efforts to Implement Broad Water Service Disconnection Moratoriums

The water community understands how critical it is to continue to provide water service to our communities during the pandemic. In fact, data from the American Water Works Association reports that more than 90% of drinking water systems have temporarily suspended water service disconnections for nonpayment during the crisis, and most are also halting late payment fees. We believe these actions demonstrate that federal action to prevent water service disconnections via a moratorium is not necessary or advisable at this time.

Local water and wastewater utilities understand the value and critical nature of the service they provide. These services are costly, and local communities cannot provide it for free. If the federal government is truly committed to ensuring water access for all, it must provide federal water bill assistance as outlined above. Water and sewer costs are overwhelmingly covered by local ratepayers, meaning that forgiveness for unpaid bills or free service extended to some customers needs to be ultimately covered by other customers. Further, this situation of charging different rates for the same service is not allowed by many state laws. Therefore, we strongly urge that any federal discussion related to utility shutoff restrictions be carefully considered, preserve the ability of utilities to collect rates from all those who are able to pay, and not leave needy customers in even greater debt when the crisis ends.

Despite these concerns, we recognize that the concept of a federal water service disconnection moratorium remains popular with some on Capitol Hill. As this discussion continues, we share the following principles that should guide any federal water shutoff moratorium policy that Congress considers:

- Discussion of utility shutoff moratoriums should be limited to the duration of the current coronavirus public health emergency and be targeted to individuals/households who are determined by objective criteria to be unable to pay.
- Any local restrictions on shutoffs or collections must be triggered by the community receiving federal funding to cover these costs, otherwise the restrictions will be unsustainable and shift the costs to others in the community.
- Federal legislation must not inadvertently hinder local drinking water and wastewater utilities' ability to conduct temporary water service disconnections for infrastructure repair and maintenance activities.

Local governments and locally governed water utilities continually make complex operational decisions concerning rates, treatment, disinfection, collection, safety management, financing, distribution, compliance and emergency supply to ensure the safety and reliability of the public water service. All of these decisions are premised on the ability to collect payment for water and wastewater service, so Congress must take care to not imperil utility finances and their ability to comply with complex state and federal regulatory requirements.

Provide Funding to Help Local Water Utilities Rebound from the Pandemic and Invest in Critical Infrastructure

The COVID-19 pandemic is having a severe impact on water and wastewater utilities across the country, with some water systems suffering pandemic-induced revenue losses of millions of dollars, or more than 15%. These lost revenues mean local communities are less able to renew, repair, and sustain aging water infrastructure and treatment facilities.

To address these needs, we request that local water and wastewater systems be made explicitly eligible to receive a portion of any state and local budgetary assistance that is included

in future COVID-19 response legislation. This funding should be available to help affected utilities of all sizes continue to operate and provide safe drinking water, wastewater service, and water recycling, and should go beyond the aid delivered in the CARES Act, which covered some direct COVID-response costs but prohibited the use of funds to offset lost utility revenues. This utility revenue assistance could be particularly important to small and rural communities with limited administrative resources.

The coming weeks will provide the best opportunity for Congress to deliver meaningful COVID-19 relief before the end of the year, and we are eager to continue to work with you to develop legislation that helps the nation – and its drinking water, wastewater, and water recycling systems and ratepayers – recover from this pandemic.

Sincerely,

American Water Works Association
Association of Metropolitan Water Agencies
National Association of Clean Water Agencies
National Rural Water Association
Water Environment Federation
WaterReuse Association

Cc: Members of House of Representatives and Senate