



**ASSOCIATION OF
METROPOLITAN
WATER AGENCIES**

LEADERS IN WATER

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April 21, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
U.S. Capitol, H-232
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol, S-230
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
U.S. Capitol, H-204
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
U.S. Capitol, S-221
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy and Leader Schumer:

The economic crisis resulting from the COVID-19 pandemic will take a drastic toll on the nation’s drinking water systems and their ratepayers – particularly low-income families that may already face challenges in paying their water bills. As an organization of the nation’s largest publicly-owned drinking water systems, the Association of Metropolitan Water Agencies (AMWA) is eager to work with you to develop a policy response that will protect vulnerable consumers and maintain the viability of public water systems.

Already, drinking water systems across the country are stepping up to the plate to ensure that essential water service is maintained for all customers throughout the pandemic. 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. This will come at a steep cost to water systems; a recent report by AWWA and AMWA estimated that over the course of a year water utilities could lose \$5 billion in revenue losses from increased customer delinquencies, and more than \$500 million as a result of voluntary shutoff moratoriums.

With this in mind, we have watched with interest as some members of Congress have advocated for a federal ban on water service disconnections due to the COVID-19 pandemic. While we believe the actions of the nation’s water systems speak for themselves – and demonstrate that a federal ban on water service disconnections is not necessary to maintain service to vulnerable

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customers – we nevertheless wish to share the following principles that should guide any federal water shutoff moratorium policy. We believe these parameters will ensure any moratorium is workable for water systems and does not leave needy customers in even greater debt when the crisis ends.

Any federal water shutoff moratorium must be timed to coincide with the COVID-19 public health emergency

Access to clean water is an important component in the fight against the spread of COVID-19. Frequent handwashing is a first line of defense against the virus, so it broadly benefits society if all residents of a community have access to this resource in their homes – regardless of whether they are up-to-date on their utility bills. However, once the public health crisis subsides, individual communities must have the ability to decide when to return to normal operations regarding the collection of water bill payments. Extending a federal ban on service disconnections far beyond the end of the public health crisis would only cause vulnerable customers to fall further into arrears while also prolonging the strain on utility budgets and other ratepayers.

Any federal water shutoff moratorium must allow for continued maintenance and repair activities

If not structured correctly, a federal water service moratorium could inadvertently prevent water systems from carrying out routine maintenance work and critical water infrastructure repairs. For example, today many communities are working to replace lead service lines that carry water into individual customers' homes from water mains under the street. Completing these projects necessarily requires a temporary interruption in water service to each home, as the old service line is removed and the new one is put into place. Congress must be careful to ensure that any federal moratorium does not broadly ban any water service "interruption," as this could block these important projects from moving forward. Instead, a moratorium should be narrowly targeted at service disconnections resulting from customer debt or nonpayment.

Any federal water shutoff moratorium must distinguish between service disconnections and reconnections

Just as the vast majority of water systems have voluntarily implemented a moratorium on water service disconnections for nonpayment during the pandemic, many are also actively taking steps to reconnect service to customers who previously had their water turned off for nonpayment. However, water service reconnections are not a matter of simply flipping a switch – they typically involve coordination with a resident to confirm occupancy, to ensure that household plumbing will not be damaged by the surge of water pressure that comes with a reconnection, and to advise a flushing the pipes for a period of time to remove any accumulated contaminants. All of this means that reconnecting service to each household is a deliberative, labor-intensive process – one that must be carried out by water systems who themselves may be experiencing personnel shortages due to the pandemic. Congress must therefore avoid any mandate that requires water systems to complete all reconnections within a defined period of time, as the ability to do so will vary greatly from community to community.

Any federal water shutoff moratorium must include meaningful federal rate assistance for low-income customers.

Shutoff moratoriums will essentially serve as band-aids during the COVID-19 public health emergency – they will ensure that all customers maintain access to water services that help stop the spread of the virus, but they will not address the underlying problem of water affordability for low-income households. Moreover, many low-income families will be at risk of falling into further debt during the pandemic, as their accounts will be charged for the water they use while the moratorium is in place. These charges will be due when the crisis ends, and those who are unable to pay will face the prospect of having their water shut off once again. Typically, public water systems are required to charge consistent rates to all customers, so using ratepayer funds to forgive unpaid bills for certain individuals is not an option.

To prevent this scenario, a future round of COVID-19 response legislation should include a robust line of funding dedicated to helping low-income individuals become current on their water bills, and subsidizing their usage during the pandemic. These funds would allow utilities to credit the bills of these at-risk ratepayers, helping them get back on their feet while also making up some of the nearly \$5 billion in delinquency-related revenue losses that water systems could experience over the next year. This federal assistance for water system ratepayers could be modeled upon the Low-Income Home Energy Assistance Program or any other federal initiative that provides funding for basic household needs.

AMWA appreciates the opportunity to share our views on how an effective and workable federal water service disconnection moratorium could be designed. Water service shutoffs have always been an action of last resort by utilities, and we expect they will remain an infrequent practice after the COVID-19 public health crisis ends. Most importantly, Congress can help ensure that customers in the most need are able to maintain their water service after the crisis ends by delivering financial assistance to water systems to help these customers pay off their outstanding balances.

Thank you for your consideration, and we hope to have the opportunity to work with you on this important issue.

Sincerely,



Diane VanDe Hei
Chief Executive Officer

cc: Sen. John Barrasso, Sen. Tom Carper, Sen. Kevin Cramer, Sen. Tammy Duckworth, Rep. Frank Pallone, Rep. Greg Walden, Rep. Peter DeFazio, Rep. Sam Graves, Rep. Paul Tonko, Rep. John Shimkus