

COVID-19 Suspension of Water Shut-Offs

On Wednesday March 18, 2020, Governor Jay Inslee called on public utilities to suspend water shut-offs for failure to pay, waive late fees, and expand customer assistance programs for people impacted during this State of Emergency. Since that original economic relief package on April 17th, Governor Inslee issued Proclamation 20-23.7 "Ratepayer Assistance and Preservation of Essential Services" which amends Proclamations 20-05, 20-23, 20-23.1 through 20-23.6. This proclamation prohibits water systems from disconnecting water services due to non-payment, refusing reconnection, and charging fees for late payment and reconnection. The proclamation also requires all utilities to develop a COVID-19 Customer Support Program. Additional guidance on the Customer Assistance Programs is available <u>here</u>.

The Office of Drinking Water (ODW) understands that it costs money to run water systems and water systems are supported almost entirely by ratepayer dollars. At this time, utilities in Washington State must suspend residential water shut-offs due to failure to pay. This State of Emergency calls for payment flexibility to make sure there are clean conditions in homes and safe water is available. Access to safe and reliable water will help slow the spread of COVID-19.

Frequently Asked Questions

Should our water customers still pay their regular bills during the COVID-19 outbreak?

- Yes. A major disruption in rate revenue would create significant operating problems for water systems. Many customers may have been laid off or are worried about their finances with increased unemployment and a slowing economy.
- Consider maintaining the existing payment structure when possible, this is not a good time to raise rates or change the rate structure.

Why must water systems halt water shut-offs at this time?

- Governor Jay Inslee stated that "to help preserve and maintain life, health, property or the public peace, prohibit all energy, telecommunications, and water utilities in Washington State from disconnecting certain residential utilities and from charging related late payment and reconnection fees."
- Many people are being asked to stay at home during this pandemic. This increases the need for water in their homes.
- Potable water is a critical public health service. Lack of water in the home prevents handwashing and the capacity to maintain a clean home. Good hygiene, like washing hands with soap and water, is key to preventing the spread of the virus. Safe and reliable water service is vital in this effort.

- In this State of Emergency, restaurants, bars and other businesses have lost money and unemployment has significantly increased. As a result, more of your community members will experience financial hardship or are worried about financial hardship. If you don't stop shut-offs during this time, you could see an increase in failure to pay leading to shut-offs. This will strain your (possibly already limited) staff.
- Shut-offs have an administrative cost. If you temporarily halt shut-offs, you will save administrative and bill collection costs.
- Shut-offs can create risk to your staff from prolonged time in the field. A suspension on water shut-offs will limit unnecessary exposure to your staff.

When is the suspension of shut-offs over?

• Until termination of the COVID-19 State of Emergency or October 15, 2020, whichever comes first. The "Ratepayer Assistance and Preservation of Essential Services" proclamation has been extended several times and we expect it to continue to be extended as long as the COVID-19 State of Emergency is still in effect.

What does "certain residential connections" mean?

- The proclamation prohibits utilities from disconnecting any residential connection for nonpayment, except upon the request of the customer.
- The proclamation does not prohibit the utility from disconnecting a residential connection due to an actual cross-connection or other public health concern. We recommend that water systems use caution when exercising their shut-off policies during this time. Water systems should consider the risk to the water system and determine if other options are available.

Does our water system have to reconnect connections that we have previously shut off due to non-payment?

- Yes, in most cases you will need to reconnect any residential customer who has been disconnected due to nonpayment.
- There may be rare, extenuating circumstances that would allow the utility to not reconnect the residential connection. Please contact us at (360) 236-3100 or email <u>DrinkingWaterCustomerAssistance@doh.wa.gov</u> if you believe you should not reconnect a customer.

Do we have to track how many customers we don't shut off or charge late fees to because of this proclamation?

- The proclamation does not specifically require you to track the customers you aren't shutting off or charging late fees. Yet it is probably a good idea to track this information. Many states are requiring this type of tracking in their "no shut-off" proclamations.
- You should also track revenue losses, including declines in fee collection and customer payments. This will help document impacts and assist in identifying potential sources of relief funding.

What will happen to customers that declined to pay their bill but weren't shut off after the proclamation is over?

 Good question! That's a major concern for utilities, customers, and the Governor. That is why the proclamation requires utilities to develop a COVID-19 Customer Support Program. See our <u>Customer Assistance Program guidance</u>.

Is suspending our water shut-off policies a form of discriminatory billing?

- Failure on the part of a customer to pay a water bill for their services means that other customers bear those additional costs. But there are some situations, such as a public health emergency, that call for flexibility in billing practices.
- The Governor has suspended some of the Utility and Transportation Commission rate restrictions. This allows the use of ratepayer dollars to provide customer assistance to other ratepayers that may be impacted by COVID-19.

How can we help customers that may be underemployed or out of work due to the pandemic?

- The proclamation requires the suspension of late fees.
- Offer payment assistance through your water system's Customer Assistance Program.
- Expand the eligibility requirements of your Customer Assistance Program in order to reach people affected by the pandemic.
- Offer a one-time bill percentage reduction for customers financially affected by COVID.

If my utility starts experiencing a decline in revenue as a result of the declared State of Emergency, will there be financial help from the state or federal government?

- While financial relief may eventually be available, we still don't know what specific resources will be available for water systems this time. We are currently developing a survey to determine the impact of the pandemic on revenues and budgets of water systems. We will compile these answers so we can continue to find ways to support water systems and push for relief funding at the federal, state, or regional level.
- You should tracking the revenue losses your system may be experiencing due to drops in demand as well as factors such as reduced bill payments by customers and lower fee collection.

We can't offer payment assistance and we don't have enough money in our reserves to deal with customers who fail to pay. We still want to support our community members impacted by the pandemic. What other options do we have?

• Offer a flexible payment plan. Flexible payment plans can vary, including adjustable bill dates, incremental payments, or payment deferral.

• Instead of shutting water off as a tool to collect late payments, try to increase your contact with the customer. You should contact all customers with delinquent bills. See our <u>Customer Assistance Program guidance</u>.

What else can we do to?

- In order to encourage payment while following recommendations for social distancing, allow payments by credit card. Waive credit card fees your water system may apply.
- Put customers in contact with your local community action agency or other local nonprofit that may be able to assist customers with utility bills.
- Do your research! Many organizations, such as MRSC and AWWA, have great resources for local utilities dealing with financial hardship right now. <u>MRSC</u> has various examples of customer assistance programs and a webinar. AWWA has published <u>The Financial</u> <u>Impact of the COVID-19 Crisis</u>.

If you have any more questions, please call your ODW Regional Office:

Eastern Region	Northwest Region	Southwest Region
509-329-2100	253-395-6750	360-236-3030

More COVID-19 Information and Resources

Stay up-to-date on the <u>current COVID-19 situation in Washington</u>, <u>Governor Inslee's</u> <u>proclamations</u>, <u>symptoms</u>, <u>how it spreads</u>, and <u>how and when people should get tested</u>. See our <u>Frequently Asked Questions</u> for more information.

A person's race/ethnicity or nationality does not, itself, put them at greater risk of COVID-19. However, data are revealing that communities of color are being disproportionately impacted by COVID-19- this is due to the effects of racism, and in particular, structural racism, that leaves some groups with fewer opportunities to protect themselves and their communities. <u>Stigma</u> <u>will not help to fight the illness</u>. Share accurate information with others to keep rumors and misinformation from spreading.

- WA State Department of Health 2019 Novel Coronavirus Outbreak (COVID-19)
- WA State Coronavirus Response (COVID-19)
- Find Your Local Health Department or District
- <u>CDC Coronavirus (COVID-19)</u>
- <u>Stigma Reduction Resources</u>

Have more questions about COVID-19? Call our hotline: **1-800-525-0127.** For interpretative services, **press #** when they answer and **say your language**. (Open from 6 a.m. to 10 p.m.) For questions about your own health, COVID-19 testing, or testing results, please contact your health care provider.

To request this document in another format, call 1-800-525-0127. Deaf or hard of hearing

customers, please call 711 (<u>Washington Relay</u>) or email <u>civil.rights@doh.wa.gov</u>.