

MAY 2021

# Addressing the Affordability of Water and Wastewater Services in the U.S.

Case Studies of Utility Affordability Programs and Rate Structures



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**Public water, wastewater and stormwater utilities seek to provide safe drinking water and to ensure clean waterways at affordable rates. Unfortunately, the combination of aging infrastructure, more stringent regulations, new pollutants, and more severe weather conditions increase the cost of providing optimal services. As a result, utilities face tremendous challenges in providing service to all customers at an affordable rate, especially for low-income households.**

The COVID-19 pandemic has made this affordability challenge, which had already been growing more acute for years, far worse. A rise in unemployment and underemployment has added to the number of low-income households in the United States and the economic circumstances of many of these households are even more tenuous than before. In many states, there have been temporary moratoria established for water shutoffs and/or late fees. However, as these moratoria are lifted, there will be large arrearages for low-income households that will need to be paid back.

Given these realities, the COVID-19 pandemic has highlighted that the cost of water, or the inadequate investment in water, disproportionately harms underserved and low-income communities. This risk is particularly severe for low-income communities of color, including Tribal communities, that have faced the pernicious history and consequences of racism and discriminatory policies. The public clean water sector, and the National Association of Clean Water Agencies (NACWA) in particular, recognize the challenges presented by these affordability and equity issues and are committed to addressing them.

But there are no easy solutions. Today, water utilities must strike an untenable balance between not upgrading aging infrastructure and addressing other challenges or charging rates that low-income households cannot afford. The American Society of Civil Engineers recently issued a D+ grade to the nation's water infrastructure, underscoring the significant

challenges faced by water and wastewater utilities to rebuild our infrastructure without adversely impacting low-income households.

The United States has faced a similar infrastructure and funding challenge before and responded with federal funding to help protect the most vulnerable. Facing rapidly rising energy costs, Congress established the federal Low-Income Home Energy Assistance Program (LIHEAP) in 1981, which has been funded every year since to provide a safety net for low-income households. This federal program helps energy utilities charge sufficient rates to support infrastructure improvements and operating expenses, while maintaining the affordability of home energy services.

**Given these realities, the COVID-19 pandemic has highlighted that the cost of water, or the inadequate investment in water, disproportionately harms underserved and low-income communities.**

Similarly, due to the extreme hardships caused by the COVID-19 pandemic and the importance of water and hygiene to the response, Congress appropriated money for the first time in December 2020 to help low-income households maintain access to water and mitigate the growing backlog of unpaid bills for water and sewer services. The water sector is grateful that the federal government is taking this emergency step to assist low-income customers by providing a total of \$1.138 billion of federal funding to create an initial Low-Income Household Water Assistance Program (LIHWAP), for which funds must be expended by December 30, 2023. Thus, while welcome and clearly needed, LIHWAP is currently of temporary duration.

## **The fundamental message is that a permanent, well-funded low-income water assistance program is urgently needed for the water sector.**

It is critical to emphasize that while COVID-19 has caused even more low-income families to be unable to afford water services, the affordability crisis pre-existed the pandemic – and will continue to grow after COVID-19 has been overcome – because the underlying cause of the costs of services exceeding limits of affordability for many financially struggling households remains. And although water utilities have generally fared better economically than expected during the pandemic, most have reduced operating budgets and cut back on discretionary capital projects. Infrastructure has continued to age with all the associated burdens to operations and the people served. As our country comes out of the pandemic, the pressure on rates will be even more intense, and the risk to low-income families will rise in parallel.

The fundamental message is that a permanent, well-funded low-income water assistance program is urgently needed for the water sector. Drinking water and clean water utilities need to charge rates that reflect the full cost required for necessary infrastructure investment, environmental compliance and public health protection, and optimal operations, and while local customer assistance programs have been developed in many communities to help mitigate household crises, utilities need a federal partner to adequately address this situation. This message founds the joint campaign “Affordable Water, Resilient Communities” by NACWA and the Association of Metropolitan Water Agencies (AMWA) to build support for a permanent LIHWAP. More information about the campaign can be found at [www.affordableh2o.org](http://www.affordableh2o.org).

NACWA has been working hard to secure more federal support for public clean water utilities in

assisting low-income ratepayers. The federal assistance secured thus far reflects the tireless advocacy by NACWA members over recent years and is a crucial step forward to providing federal financial support to supplement assistance programs currently supported by utilities at the local level. NACWA and its members are also at the forefront of advocating for a substantial increase in federal funding for water infrastructure, which will play a critical role in helping to address growing affordability concerns.

In the meantime, resourceful drinking water and clean water utilities have been devising their own creative and helpful programs to support low-income households, within the legal limits set forth in their individual states. NACWA has worked in partnership with Moonshot Missions to compile this compendium of low-income affordability practices for three purposes:

1. To highlight the wide array of successful low-income practices that water sector utilities have been implementing to enable them to better raise rates needed to upgrade water infrastructure in a way that is affordable for all customers.
2. To share best practices of current low-income affordability programs so that other peer utilities can replicate or adapt these efforts to address affordability challenges in their own communities.
3. To emphasize that while creative and helpful, the programs outlined here are not sufficient on their own to solve the affordability challenge in terms of the level of support available to provide qualifying low-income households, the percentage of eligible low-income households supported in relevant communities, and the unfortunate reality that most of the programs identified have been developed by larger utilities. Many underserved and smaller communities have not had the funding or resources to stand up assistance programs on their own to-date.



While the clean water sector advocates for increased levels of federal financial support, the range and diversity of existing customer assistance programs are a testament to the commitment by water utilities to affordable service for all their customers. Yet in every case, the need is far greater than what the utility can provide on its own. Many of these programs rely on customers who can afford their water bills to voluntarily provide funding so that utilities can provide a discount to their lower income neighbors. But at the same time, many jurisdictions do not allow this type of cross subsidy, and raising contributions is especially difficult for communities where economic hardship is widespread.

The nation's water utilities are stepping up to ensure our lowest income residents have access to safe and clean water. Yet the utility sector cannot achieve this goal alone. We seek a more committed federal partner to supplement our commitment to create and sustain a permanent program to provide federal assistance in addressing the affordability of water and wastewater services nationwide.

## Key Themes

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Listed below is a summary review of 20 utility case studies/approaches to responding to the affordability of water services for low-income customers. While each program is ultimately unique to its utility and community, there are a number of common themes that can be identified across the spectrum of examples.

### 1. Summary of Programs

Overall approaches to address affordability of water, wastewater and stormwater services vary widely, but generally fall into four broad categories:

- a. Temporary financial assistance programs funded by round-up selections and other fundraising by employees and customers, usually administered by a community partner. People facing acute financial distress can apply and receive short-term grants to pay for water services.
- b. Discounts from otherwise uniform rates for low-income customers deemed eligible due to criteria usually based on a family income that is a percentage of median household income. These discounts, often called Customer Assistance Programs (CAP), are typically funded by slightly higher charges to the rest of the ratepayers, except in states that prohibit such subsidies.
- c. Reduction of rates for certain classes of customers based on affordability factors, which can include lifeline rates that eliminate or reduce charges for an initial portion of residential use, or reduced rates for households that are classified in certain income categories.
- d. The reduction or elimination of utility fees, fixed charges or accrued interest on late payments for qualified low-income customers. In some cases, utilities offer one-time relief payments to cover the total or portion of a customer's water bill or a forgiveness program to offset an amount or percentage of a customer's water bill.

### 2. Funding Alternatives

In addition to the funding mechanisms noted above, utilities are implementing a range of innovative approaches to fund affordability programs.

- a. Implementation of a municipal sales tax to help pay for water services, or the dedication of appropriated funds from their municipal jurisdiction.
- b. Leveraging non-rate revenue (for example, funds raised by delinquent bill fees) to fund affordability programs.
- c. Sponsoring employee fundraising events in which utility staff can contribute to a fund to support customers unable to pay their water bills.
- d. Matching funds with a local community-based organization to generate and provide a relief fund to customers.

### 3. Success Factors

- a. Utilities that have adopted affordability programs typically undertake a rate and affordability study that examines the income characteristics of their customers and the various opportunities that can be considered, including the impact on revenue and expenditures.
- b. Utilities are often successful when they partner with community-based organizations (CBOs) to administer and/or raise awareness about affordability programs for low-income customers. By

partnering with CBOs, wrap around services can be offered to low-income households to provide housing, food, energy, and other basic services, in addition to assistance in paying water bills.

- c. Utilities are successful when they engage in communication and outreach to customers on the availability of affordability programs. Utilities are frequently more successful when this outreach is conducted in concert with CBOs and other organizations that are already serving low-income customers.

#### 4. Challenges

- a. Programs designed to support low-income ratepayers are expensive to research, design and implement. Most affordability programs explored here are sponsored by larger water utilities that can spread the cost across a broader customer base or have a larger community from which to secure funding support.
- b. Many communities are required to set rates on the cost of service and are not allowed to increase that rate across the customer base to provide benefits to low-income ratepayers. This type of prohibition significantly reduces the source of funding for such programs.
- c. Even when authorized, utilities with a larger percentage of low-income customers have a more difficult time spreading the cost of affordability programs to the rest of the customer base, many of whom are just above low-income thresholds.
- d. Small and rural utilities with small service areas have a difficult challenge in funding the development of affordability/low-income programs due to the high per-customer cost. Again, many customers in this category may be just above low-income thresholds.

## Acknowledgements

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Sincere thanks go to all the clean water utilities that have been working hard to implement innovative low-income customer assistance programs to mitigate the impact of rising rates upon their most vulnerable communities, and especially those who contributed case studies for this compendium.

NACWA and Moonshot Missions would like to express our special thanks to the Water Agency Leaders Alliance (WALA) and the Rural Community Assistance Partnership (RCAP), both of whom have been strong advocates for low-income assistance programs. The participation of WALA and RCAP in contributing case studies for this document underscores the need for low-income assistance in every economically distressed community, rural and urban, and in every household. We are also grateful to Sarah Neiderer and Stephanie Eatinger of Moonshot Missions for their hard work in compiling this document.

## Utility Case Studies

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The following is the list of summaries of utility affordability programs included in this document. Please note this is not an exhaustive list of all existing programs and there are many programs not included – NACWA will seek to periodically update this document with additional examples. Reference to affordability factors in the case studies is a review of how the utility uses the income of ratepayers to either modify the rate structure itself or provide discounts to uniform rates after the bill is calculated for low-income customers.

- Sewerage and Water Board of New Orleans, LA
- Kansas City Water, KS
- City of Houston, TX
- City of Atlanta, GA
- Northeast Ohio Regional Sewer District, OH
- Seattle Public Utilities, WA
- Pittsburgh Water and Sewer Authority, PA
- DC Water, District of Columbia
- Detroit Water and Sewerage District, MI
- Greater Cincinnati Water Works, OH
- San Francisco Public Utilities Commission, CA
- Baltimore City Department of Public Works, MD
- New York City Department of Environmental Protection, NY
- Buffalo Water, NY
- WSSC Water, MD
- AlexRenew, Alexandria, VA
- Camden County Municipal Utility Authority, NJ
- The City of Ashland Department of Public Works, OR
- Jackson Water Department, MI
- Tucson Water, AZ

## 1. Sewerage and Water Board of New Orleans

### Affordability Program(s)

The Sewerage and Water Board of New Orleans (SWBNO) offers the Water Help/Plumbing Assistance Program to assist elderly, disabled and economically disadvantaged customers in paying their water bills and making minor plumbing repairs. This program combines customer contributions with SWBNO matching funds to create a fund administered by the community partner, Total Community Action. The Water Help Program provides up to a \$200 annual account credit to customers. The Water Help Program covers water and sewer fees. The Plumbing Assistance Program pays up to \$250 annually to a licensed master plumber who is authorized by SWBNO to perform minor plumbing repairs at a customer's home.

In 2019, 1,279 households in New Orleans received financial assistance through the Water Help Program, totaling more than \$255,000. The program currently reaches between 12 and 14 percent of the households that are currently eligible to receive financial assistance. SWBNO is currently exploring additional programs and methods to assist more customers, especially low-income customers. The utility works closely with Total Community Action to administer and promote its affordability program. The utility is also undertaking significant direct customer outreach to raise awareness about its affordability program and gain feedback in developing a newly enhanced program intended to be implemented post-COVID-19.

For more information about SWBNO's affordability programs, visit:

- <https://www.swbno.org/CustomerService/PaymentAssistance>

### Rate Structure

SWBNO is currently undergoing a rate study and financial plan, which will include considerations for restructuring rates to accommodate affordability factors. Currently, all ratepayers are charged a uniform rate. SWBNO is analyzing in part whether affordability factors should change the underlying rates for certain customers or offer a discount from uniform rates. This may include waivers for fees based on income or a graduated rate plan.

### Impacts of COVID-19

SWBNO has experienced an increase in delinquent accounts due to COVID-19 and related moratorium on shutoffs. SWBNO has undertaken the development of an enhanced affordability program to address this backlog of delinquent accounts when the pandemic is over.

## 2. Kansas City Water

### Affordability Program(s)

Kansas City Water (KC Water) recognizes the financial hardship some of its customers face, whether due to the impacts of COVID-19 or prior circumstances. The utility offers a variety of customer assistance programs to reduce the financial burden of water bills, particularly for low-income customers. The KC Water Payment Arrangement Program provides customers additional time to pay their past-due bills. Leveraging payment arrangements, past-due amounts are spread out over a

specified period via monthly installments. Customers are required to pay the agreed upon monthly installment, in addition to paying their total current charges in full by the bill due date each month. KC Water also provide funding assistance up to \$500 per eligible customer.

Due to the impacts of COVID-19, KC Water has also expanded its assistance to customers who cannot pay their water bill, including:

- Discontinued disconnection of services
- Suspended penalty assessments
- Restored services without payment
- Approved no-money down payment arrangements
- Offered extended payment arrangement terms
- Increased funding for a utility assistance program
- Partnered with other utilities in the region to share low-income assistance programs and provide additional outreach outlets

KC Water also partners with a variety of local and regional partners to assist its customers who are unable to pay their water bills. This includes partnering with the Mid America Assistance Coalition, to which KC Water has committed more than \$3 million in funds since the program's inception in 2009 and has assisted more than 9,000 customers. This needs-based program, funded by delinquent bill fees, as well as other non-rate revenue, is available to assist customers experiencing financial hardship. Leak Stoppers is another KC Water partnership with Bridging the Gap to provide customers with Water Savings Kits and guidance on how to reduce water usage.

Additional organizations in Kansas City, MO also administer programs to support KC Water customers that are unable to pay their water bill. The Central City Economic Development Sales Tax District has established an Essential Services Fund in which customers living in the central part of Kansas City may apply for funds to cover utility costs. Kansas City's Neighborhoods and Housing Services also offers an Emergency Rental and Utilities Assistance Program to residents, which is distributed through existing community agencies. Due to COVID-19, Kansas City has received additional funding to expand this program and help residents pay current and past due utility bills. Eligibility for this program requires recipients to meet one of the following qualifications:

- Has qualified for unemployment benefits, or experienced a cut in income, incurred significant costs, or experienced other financial hardship due to the COVID-19 pandemic.
- Is at risk of experiencing homelessness. Risk factors include:
- Has past due utility bills or rent or has an eviction notice.
- Is living in unsafe or unhealthy conditions.
- Has a household income at or below 80 percent of the area median income (AMI).

Kansas City supports an aggressive outreach campaign to raise awareness about its customer assistance programs and to encourage delinquent customers to contact KC Water to establish a payment plan. As part of this plan, KC Water directly mails information to customers with delinquent accounts and participates in community engagement meetings. The utility's primary goal is to reduce

the number of delinquent accounts and total number of customers in danger of water service shutoffs. Additional outreach includes:

- Information posted on the KC Water website and the City of KCMO Website.
- Information placed on consumer invoices and included bill inserts with information regarding the low-income assistance programs.
- Printed information regarding the low-income assistance program in its customer newsletter, “What’s on Tap.”
- Social media and news releases.
- Door hangers posted on homes of delinquent customers advising of payment options and low-income assistance programs.
- Flyers provided to consumers at community engagement meetings.
- Scripting for Customer Service Representatives when applicable.
- An interactive Voice Response System offers pre-recorded scripting for consumers regarding the low-income assistance program when they call the KC Water contact center.
- A partnership with the local Goodwill to raise awareness among Kansas City residents.

For more information about KC Water’s affordability programs, visit:

- [www.kcwater.us/customer-support/financial-assistance-resources/](http://www.kcwater.us/customer-support/financial-assistance-resources/).

### **Rate Structure**

KC Water has implemented a rate structure that provides a reduced “life-line” rate for the first 600 cubic feet of water for all residential customers. This rate ensures an affordable cost for the basic water needs of the average household in Kansas City.

### **Impacts of COVID-19**

KC Water has experienced a reduction in utility assistance requests and funding through its partner agency due to COVID-19. The utility has undertaken an aggressive response to the impacts of COVID-19 that may be affecting the demand for utility assistance.

## **3. City of Houston, Texas**

### **Affordability Programs(s)**

Houston’s Water Aid to Elderly Residents (W.A.T.E.R) Fund is a program administered by the City of Houston and designed to provide financial assistance to senior citizens and others needing help with paying their water and wastewater bills. It is funded entirely through voluntary donations from customers, charities, and businesses and 100 percent of the contributions provide direct assistance to residents. A City of Houston employee donation drive is also held annually. The City of Houston pays for all the Fund’s administrative costs.

The W.A.T.E.R. Fund assists low-income senior citizens (60+) who are residential utility customers of the City of Houston and live in a single-family dwelling. Limited assistance is also available to disabled

or low-income customers. Preference is given to those who have met the Federal Poverty Guidelines for three months or longer. Applicants can receive up to \$100 every six months as credit on their water bills. If the water bill is less than this amount, qualified seniors may use any remaining portion in the following months to pay their water bills. At the end of six months, customers may re-apply for additional assistance.

Houston actively raises awareness about the W.A.T.E.R. Fund. Information about the program is printed on customer bills and posted on the City's website. The City also partners with public and private agencies, area multi-service centers and religious organizations that provide other types of assistance.

In addition to the W.A.T.E.R. Fund, the Houston Public Works' Customer Account Services aims to lessen the burden of high water bills by offering bill adjustment credit when a customer makes a leak repair or has an unusually large bill.

For more information about the City of Houston's affordability programs, visit:

- [www.publicworks.houstontx.gov/sites/default/files/assets/002-waterfundeng.pdf](http://www.publicworks.houstontx.gov/sites/default/files/assets/002-waterfundeng.pdf)

### **Rate Structure**

Houston's current rate design includes block rates for single family residential water, a lifeline rate for low volume single family residential usage, winter quarter averaging for single family residential wastewater, and an additional industrial wastewater surcharge for ammonia. The current rate structure is evaluated periodically to ensure there are sufficient revenues to cover the costs of the system. However, in the future the rate structure must be adjusted to achieve equitable distribution among customer classes.

### **Impacts of COVID-19**

COVID-19 has created a greater awareness among citizens, especially the financial burden for many customers. There has been an outpouring of concern, which has translated into increased generosity in corporate donations.

## **4. City of Atlanta, GA**

### **Affordability Programs(s)**

The City of Atlanta Department of Watershed Management recognizes that customers may face difficulties paying for water, one of life's most essential elements. To address these challenges, the City offers financial assistance to low to moderate income ratepayers having trouble paying water and sewer bills through an innovative program called Care and Conserve. This program offers water bill payment assistance, plumbing repair assistance and water conservation counseling to approximately 185 low-income households annually. Care and Conserve programming is funded by the Department of Watershed Management through customer contributions, corporate donations, grants, and money set aside by the City of Atlanta.

The Care and Conserve Plumbing Repair Program (CCPRP) distributes Department of Watershed grant funding to non-profit organizations which use the grants to provide plumbing repairs and to replace high flow fixtures among the City of Atlanta's low-income households, at no cost to the

customer. These plumbing repairs help provide customers with access to sufficient and accessible water, sewer fixes to maintain household health, and assist with leaks that may lead to high water bills. This program not only significantly reduces monthly bills, but it also enhances the quality of life for impacted customers. The City of Atlanta also offers a Senior Citizens program in which eligible customers may receive a 30 percent discount on water and sewer bills.

The City of Atlanta has also implemented the Municipal Option Sales Tax (MOST), which is a 1-cent tax that applies to most goods purchased in the City. These funds allow visitors and businesspeople who use the City's water and sewer infrastructure but do not pay City water/sewer bills to help pay for upgrades and maintenance of system infrastructure. The MOST was initially approved on July 20, 2004 and reauthorized by voters in 2008 by a 3-1 margin. From 2004 through 2010, it provided more than \$700 million to help ensure Atlantans a future of clean, safe drinking water and environmentally sound wastewater treatment. With the help of revenues generated from the MOST, the City has been able to repair and replace old, decrepit sewer lines in compliance with two federal consent decrees.

For more information about Atlanta's affordability programs, visit:

- [www.atlantawatershed.org/care-and-consume/](http://www.atlantawatershed.org/care-and-consume/)
- [www.atlantawatershed.org/care-and-consume-plumbing-repair-program/](http://www.atlantawatershed.org/care-and-consume-plumbing-repair-program/)
- [www.atlantaga.gov/government/mayor-s-office/projects-and-initiatives/municipal-option-sales-tax-most](http://www.atlantaga.gov/government/mayor-s-office/projects-and-initiatives/municipal-option-sales-tax-most)

### **Rate Structure**

Atlanta's rate structure does not integrate affordability factors, which means the utility does not use the income of ratepayers to either modify the rate structure itself or provide discounts to uniform rates after the bill is calculated for low-income customers.

### **Impacts of COVID-19**

The City of Atlanta immediately implemented an online application with a guided tutorial to allow customers the opportunity to apply remotely during COVID-19.

## **5. Northeast Ohio Regional Sewer District**

### **Affordability Program(s)**

The Northeast Ohio Regional Sewer District (NEORS) offers a variety of affordability programs to ensure that all customers have access to clean water services. The Homestead and Affordability Programs target senior citizens, the disabled and low-income customers. NEORS's senior citizen and disabled customers are eligible for Homestead in which a rate reduction of 40 percent is available to those who qualify. Eligibility requires that customers must be age 65 or older or under 65 and disabled and have a total household income at or below \$34,500. Enrollment is valid for a three-year period. The NEORS Affordability Program also supports low-income customers by providing a rate reduction of 40 percent for customers whose annual income is at or below 200 percent of the poverty level. Customers can be enrolled in either the Homestead program or the Affordability program, but not both.

NEORS also provides crisis assistance to customers affected by a major event in their life (medical

expenses, job loss, separation/divorce) offering a reduction of 50 percent of the sewer balance (up to \$300) towards an account. The utility partners with CHN Housing Partners to administer this program.

Raising awareness about its customer assistance programs is a long-standing priority for NEORSD. A 'Help is Here' campaign is designed to educate customers about monetary assistance available for sewer and stormwater bills. The campaign promotes the long-standing affordability programs, as well as additional CARES Act utility funding provided through the federal government in response to COVID-19 and managed locally by the Cleveland Housing Partners. A variety of tools support outreach to customers and promote assistance programs, including:

- Direct mail to customers with past due balances.
- Direct e-mail to customers with past due balances.
- Earned media.
- Advertisements on radio stations, social media and in print publications.
- Distribution of nearly 22,000 "Help is Here" postcards to 23 community organizations in Northeast Ohio.
- Robocalls to customers with past due balances.
- Outreach to elected officials.

For more information about NEORSD's affordability programs, visit:

- <https://customerservice.neorsd.org/s/cost-saving-program>

### **Rate Structure**

NEORSD calculates sewer charges by multiplying the customer water consumption by the appropriate sewer rate. The base charge is then added to that total. The utility's affordability programs were considered in this rate structure as they can provide up to a 40 percent rate reduction.

### **Impacts of COVID-19**

Customer applications to NEORSD's long-standing affordability programs have remained relatively consistent during COVID-19, in comparison to prior years. As of Spring 2021, the CARES Act funding that is available has aided nearly 900 NEORSD accounts totaling nearly \$553,000 in assistance in paying customer water bills. While the demand for customer assistance affordability programs has not increased, the utility understands that the need for customer assistance has risen.

## **6. Seattle Public Utilities**

### **Affordability Program(s)**

The Seattle Public Utilities (SPU) customer assistance programs provide significant support to low-income customers. The Utility Discount Program (UDP) is the cornerstone of the utility's low-income assistance, offering a 50 percent reduction in the total bill for eligible and enrolled SPU customers. Households earning up to 70 percent of the State Median Income (SMI) can qualify for the UDP. SPU also offers an Emergency Assistance Program (EAP), which provides a one-time annual credit of up

to \$461 towards a customer's bill. Households earning up to 80 percent of the SMI can qualify for the EAP, including households receiving the UDP. Households with children at home can receive EAP twice per year. The UDP and EAP combined programs provides a strong foundation to enhance lower-income customers' ability to afford SPU bills.

SPU is also creating a Community Donation Fund in which customers and the public can contribute to assisting lower-income customers pay their bills. The goal is to distribute the funds to customers in need, as a supplement to the EAP assistance they would already receive from SPU, starting as early as Fall 2021.

As not all low-income households are enrolled in or accessing SPU's customer assistance programs, the utility proactively works to increase enrollment in the UDP and EAP Programs. This includes a self-certification "fast-track" online enrollment tool, as well as communications campaigns for both programs. In 2020, these efforts have proven to significantly increase enrollment rates. SPU is also leveraging a predictive analytical tool, which accesses Census and other available survey data to predict the likelihood that any given household is eligible for the UDP. This information will be used to identify and outreach to customers who are potentially eligible for assistance and to encourage enrollment. SPU is especially hopeful this will prevent shut-offs of lower-income households.

SPU conducts proactive and aggressive outreach to customers to raise awareness about its customer assistance programs, including:

- Social Media.
- Share via community based organizations and social service organizations.
- Postcards (+ Spanish and Chinese translations).
- Food banks.
- Ethnic media (print/online/radio).
- Bill inserts.
- TV commercials.
- Door hangers.

For more information about SPU's affordability programs, visit:

- [www.seattle.gov/humanservices/services-and-programs/supporting-affordability-and-livability/utility-discount-program](http://www.seattle.gov/humanservices/services-and-programs/supporting-affordability-and-livability/utility-discount-program)
- [www.seattle.gov/utilities/your-services/discounts-and-incentives/emergency-assistance-program](http://www.seattle.gov/utilities/your-services/discounts-and-incentives/emergency-assistance-program)

## Rate Structure

SPU will be examining an alternative rate structure in a 2021 Water Rate Study that may significantly reduce the cost of a basic "lifeline" amount of water. The utility is also assessing whether an alternative pricing structure for water could help lower-income households, as well as households with low water usage.

## Impacts of COVID-19

The number of households accessing both of SPU's customer assistance programs has increased substantially, in part because COVID-19 prompted the utility to reduce barriers to enrollment. This included establishing an online, self-certification form for the UPD, rather than having to provide proof of income for the past 30 days. This has helped households receive assistance more quickly, especially those who have lost their job(s). COVID-19 also prompted SPU to establish a donation fund to raise external, philanthropic dollars to supplement rate-payer funds available for assistance.

## 7. Pittsburgh Water and Sewer Authority

### Affordability Programs

The Pittsburgh Water and Sewer Authority's (PWSA) customer assistance programs are designed to provide financial relief for income-qualified residential customers who are experiencing difficulty in paying their water and wastewater bills. To help balance increasing rates, PWSA has expanded these programs to provide greater support for those who need it most. Various utility programs provide direct assistance to customers, including the Winter Shut-Off Moratorium, the Bill Discount Program, the Hardship Grant and a free private lead service line replacement program. These assistance programs have significantly aided customers as PWSA has implemented large rate increases since 2017. PWSA partners with the Dollar Energy Fund to administer its customer assistance programs.

The Winter Shut-Off Moratorium program provides qualifying customers with the assurance that their water will not be shut off from December 1 through March 31 if they are unable to pay their bill. This program is available to single-family residential customers earning an annual income that is at or below 300 percent of the federal poverty level.

The Bill Discount Program provides eligible customers with a 100 percent reduction (or approximately \$35.78 per month) of fixed monthly water and wastewater conveyance charges for one year. Customers earning an annual income that is at or below 150 percent of the federal poverty level are eligible for the Bill Discount Program. This program also includes a 20 percent reduction on the cost of water used among very low-income customers at or below 50 percent of the federal poverty level.

The PWSA Hardship Grant Program is supported by Pittsburgh residents and directly benefits local families who are struggling to pay for basic water services. Since 2018, the Hardship Grant Program has helped more than 370 Pittsburgh households maintain essential water services. The grant program was established to provide income-eligible customers with annual cash assistance to pay their monthly water bill. Through this program, PWSA has distributed more than \$91,000 in awards or an average household grant of \$285. Grants are dispersed on a first-come, first-served basis to eligible families with a gross household income that is at or below 150 percent of the Federal Poverty Level.

As part of community lead response, PWSA also assists customers with the cost of private lead service line replacement, if customers choose to proactively hire a plumber and complete the work. In partnership with Dollar Energy Fund, PWSA will verify a customer's income and determine the level of reimbursement eligibility.

PWSA operates a robust media and social media campaign to raise awareness about its customer assistance programs. Information is also available on the PWSA website and included in bill inserts.

Additionally, the utility partners with service providers to promote these programs.

For information about PWSA's affordability programs, visit:

- [www.pgh2o.com/residential-commercial-customers/billing-community-assistance-programs/customer-assistance-programs](http://www.pgh2o.com/residential-commercial-customers/billing-community-assistance-programs/customer-assistance-programs).

### **Rate Structure**

The PWSA Bill Discount Program includes two tiers – one for low-income customers at or below 100 percent of the federal poverty level and a greater discount for those below 50 percent of the federal poverty level. The monthly discount amounts to approximately \$36 per month for eligible customers.

### **Impacts of COVID-19**

PWSA's customer enrollment has not increased during COVID-19, largely due to a moratorium on service terminations that was initiated in March 2020.

## **8. DC Water**

### **Affordability Program(s)**

DC Water has a long history of lending a helping hand to customers in financial need who are challenged in paying their water bills. The utility understands the need is even greater due to the economic toll of COVID-19 and has continued historical customer assistance programs, as well as implementing new and innovative supplemental programs. DC Water routinely receives stories from customers about how enrollment in these programs has made a difference in their lives and ability to pay household bills.

Most recently, DC Water implemented the District Emergency Residential Relief Fund that is intended to supplement assistance for residential customers who have fallen behind on their bills due to the impacts of COVID-19. This program provides up to \$2,000 as a one-time emergency benefit to assist customers in eliminating past due balances and is available to eligible single-family units below 100 percent of the average median household income. Eligible households who receive assistance under the District's program may qualify for additional assistance from DC Water under this new program.

The DC Water Cares Residential Assistance Program provides single family households below 80 percent of the average median household income \$2,000 during the fiscal year and provides tenants below 80 percent of the average median household income up to \$2,000 during the fiscal year. Under the Multifamily Assistance Program, DC Water will provide discounts to owners to pass along to those tenants who are income-eligible for assistance. It is one of a few programs in the nation designed to aid customers who do not directly pay their water and sewer bills.

DC Water also offers monthly discounts to residential customers. The Customer Assistance Program (CAP) provides a discount on the first 400 cubic feet (3,000 gallons) of water and sewer services used each month. Eligible households also receive a 75 percent reduction in the monthly Clean Rivers Impervious Area Charge (CRIAC) fee and a Water Service Replacement Fee waiver. The monthly discount is approximately \$77 per month. The Customer Assistance Program II (CAP2) provides a discount on the first 300 cubic feet (2,250 gallons) of water and sewer services used each month

(with the exception of payment in lieu of taxes (PILOT) and right-of-way (ROW) fees and a 50 percent reduction in the monthly CRIAC fee. The monthly discount is approximately \$50 per month. The Customer Assistance Program III (CAP3) provides a discount of 75 percent off of the monthly CRIAC. The monthly discount is approximately \$15 a month.

The Clean Rivers Impervious Area Charge Residential Relief Program assists eligible nonprofit organizations facing financial hardship with the payment of their CRIAC. Participants can receive credits for up to 90 percent of the CRIAC portion of their water bill.

The DC Water Serving People by Lending A Supporting Hand (SPLASH) Program helps customers maintain critical water and sewer service in times of financial emergencies. SPLASH is administered by the Greater Washington Urban League and is funded solely by contributions from DC Water employees, customers, and the community, and every dollar received is distributed to eligible customers.

DC Water also offered extended payment plans during COVID-19.

DC Water's community outreach and communication raises awareness about its various affordability programs, including:

- Direct Customer Outreach.
  - Customer bill messages, back of the envelope, customer call & letter campaign.
- Advertising.
- Social Media.
  - Paid digital advertising targeting District residents on Facebook and Instagram, as well as postings on NextDoor.
- Websites.
- Grass Roots Engagement.
  - Collaboration with community-based organizations, distributing and hanging posters in grocery stores, foodbanks, restaurants and pharmacies, and engaging pastors asking they share information with members.

For more information about DC Water's affordability programs, visit:

- [www.dewater.com/customer-assistance](http://www.dewater.com/customer-assistance)

## Rate Structure

DC Water's rate structure integrates affordability factors and is designed to better allocate system costs across three customer classes: 1) residential, 2) multi-family, and 3) non-residential. The utility offers a Lifeline Rate for the first 400 cubic feet of water for all residential customers, in addition to three different customer assistance rates for low to middle-income households. The DC District Department of the Environment determines eligibility for the three programs, CAP, CAP2 and CAP3.

## Impacts of COVID-19

COVID-19 has significantly impacted DC Water's affordability programs. Enrollment in the existing programs has increased from 3,454 in FY19 to 6,673 in FY20. This increase was primarily due to the addition of the District Emergency Residential Relief Fund introduced in May of 2020. This program has assisted approximately 2,100 households with \$885,000 in bill-pay assistance. Total customer assistance provided via the sum of DC Water's customer assistance programs has doubled from \$1.3 million to \$2.7 million.

## 9. Detroit Water and Sewerage District

### Affordability Program(s)

The Detroit Water and Sewerage Department (DWSD) actively implements programs, partnerships and outreach to ensure water affordability and access for all residents. Yet, evidence-based research demonstrates that the Detroit customer base cannot financially support the number of households below the federal poverty level thresholds without causing a substantial increase in rates to customers above those thresholds. The utility indicates that federal and state funding programs are critical to addressing water affordability in Detroit.

Affordability drives every decision at DWSD. DWSD currently offers various customer affordability programs, including the Water Residential Assistance Program (WRAP), the 10/30/50 Plan and the Water Access Volunteer Effort (WAVE) Fund.

WRAP is a robust, two-year income-based assistance program for households at or below 200 percent of the federal poverty level and provides a \$25 monthly bill credit and up to \$700 to pay down arrearages per year (\$1,400 maximum for two years). Households with higher-than-average water usage also receive water conservation education and minor home plumbing repairs, on average of \$1,500. The WRAP minor home plumbing repairs result in an average bill reduction of up to 30 percent.

Seniors 65 and older and the disabled, once successfully enrolled in WRAP, receive a \$25 monthly bill credit indefinitely. More than 18,000 households have enrolled in WRAP since March 2016, totaling \$7.5 million in assistance. DWSD partners with a local community action agency, Wayne Metro, to administer WRAP. This partnership provides low-income customers with wrap-around services to help with all their basic needs, including job placement.

The 10/30/50 Plan offers payment plans to customers and spreads past due balances over a 6 – 24-month period, dependent upon a deposit. During first enrollment, the customer makes a 10 percent deposit of their past due balance. If they miss a payment, they can re-enroll at 30 percent of the remaining past due balance. If they miss another payment, they can re-enroll at 50 percent of the remaining past due balance. The 10/30/50 Plan is not income-based and is available to all DWSD customers.

The WAVE Fund helps low-income families during a crisis by ensuring uninterrupted access to safe drinking water and sanitation services. When funds are available, WAVE provides a deposit up to \$500 to enter the DWSD 10/30/50 Payment Plan.

DWSD also partners with several nonprofits, including the United Way, The Heat and Warmth Fund,

and the Human Utility for additional dollars to assist customers.

DWSD continuously raises awareness about its customer assistance program. In addition to notices on bills, the utility provides program information on the City of Detroit website, at community events, and through print, online and digital/social media advertising that targets low-income residents. Additionally, DWSD partners with nonprofits, including faith-based organizations, to hold customer assistance fairs and assist residents. In the 12 months prior to the pandemic, DWSD attended more than 80 events.

For more information about DWSD's affordability programs, visit:

- <https://detroitmi.gov/departments/water-and-sewerage-department/dwsd-customer-care/customer-affordability-programs>.

### **Rate Structure**

DWSD leadership considers affordability in every budgetary action impacting Detroit customers. As a result, DWSD has improved business practices, implemented convenient ways to pay, and improved customer outreach resulting in an improved collection rate. This has provided the ability for DWSD to keep annual rate increases below 4 percent, which is about a \$2 per month per year increase for the average residential household.

Within the last five years, DWSD has studied an income-based rate. However, in Detroit more than 70 percent of the residential population is at or below 200 percent of the federal poverty level and therefore an income-based rate would be largely supported by less than 30 percent of the DWSD customer base, making rates unaffordable for all.

### **Impacts of COVID-19**

In response to COVID-19, a variety of funding sources have provided more than \$22 million in assistance to nearly 15,000 residential households. Funding sources include the CARES Act, State of Michigan emergency relief funds and philanthropic dollars. This includes \$15 million to help pay down arrearages, and \$7 million to provide major plumbing repairs including replacing toilets, installing service lines, and replacing sewer lateral lines that were causing private basement backups among 700 homes. During DWSD's shutoff moratorium, funding assistance has significantly reduced arrearages, which not only impacts individual households but supports the viability of the system and the ability to increase rates by only 2.9 percent in 2021.

## **10. Greater Cincinnati Water Works**

### **Affordability Program(s)**

The Greater Cincinnati Water Works is responding to the impacts of COVID-19 by implementing the Economic Hardship Water Debt Forgiveness Program. To qualify, customers must demonstrate economic hardship due to COVID-19 or be at or below 200 percent of the 2020 federal poverty level. The program offers forgiveness of past-due amounts related to water and the City of Cincinnati stormwater services accrued during the pandemic, from March 1, 2020, through September 30, 2020. The Economic Hardship Water Debt Forgiveness Program has helped hundreds of customers avoid water shutoffs and the utility continues to receive applications.

For more information about Greater Cincinnati Water Works' affordability programs, visit:

- <https://www.cincinnati-oh.gov/water/forgiveness-program/>

## 11. San Francisco Public Utilities Commission

### Affordability Program(s)

The San Francisco Public Utilities Commission (SFPUC) has historically offered a customer assistance program; however, in response to COVID-19, the utility has expanded this program as many SFPUC customers are finding it more difficult to pay for basic utilities: water, power and sewer services. Customers that have recently lost a job or have reduced hours or income, even if they are receiving unemployment benefits, may qualify for reduced utility rates.

The SFPUC Customer Assistance Program (CAP) provides enrolled customers a 15 percent discount on water and a 35 percent discount on sewer service charges. Eligibility criteria includes those with a total combined household gross income not to exceed 200 percent of the federal poverty level.

Early in the COVID-19 pandemic, SFPUC implemented the Community First Bill Relief Program – known as the Emergency Community Assistance Program (ECAP), which raises the eligibility threshold to households that lost income due to COVID-19 and had pre-COVID-19 income less than 200 percent of the area median household income. All existing CAP customers were automatically enrolled in ECAP, and additional applicants are able to self-certify their eligibility. Thousands have applied for ECAP prior to September 2020, which retroactively provided discounts since the beginning of shelter-in-place orders.

SFPUC also implemented a small business and nonprofit discount program during COVID-19. This program provides a 20 percent discount on water and sewer bills for a period of six months for eligible customers, particularly those who have experienced a loss of revenue related to COVID-19 or shelter-in-place orders, in addition to having a maximum of 50 employees.

The SFPUC has launched a large-scale campaign to inform the public about the Community First Bill Relief Program, with a special focus on outreach to vulnerable communities. The campaign has included:

- All major outreach materials, program FAQs and applications translated into 5 languages.
- Ads in small neighborhood newspapers.
- Social media ads.
- Partnership with the City's Emergency Operations Center to distribute Bill Relief doorhangers to residences in the most vulnerable neighborhoods.
- Bill inserts in every SFPUC printed bill.
- Bill Relief information packets shared with community-based organizations, small business associations, and Board of Supervisors.
- Bill relief materials at pop up testing sites.
- A simplified Guide to Bill Relief at the SFPUC which serves as the landing page for our

affordability programs.

- URL tracking to allow for a real-time understanding of which outreach tactics are most effective.

For more information on SFPUC's affordability programs, visit:

- [www.sfwater.org/billrelief](http://www.sfwater.org/billrelief)

### **Rate Structure**

SFPUC has inclining block tiers for residential water rates based on usage.

### **Impacts of COVID-19**

In response to COVID-19, SFPUC has implemented expanded programs to support customers. However, reduced revenue from customers who cannot pay also results in limited funding that SFPUC receives to support assistance programs, which is spreading thinner. The utility cannot provide support to everyone who needs it and due to California Proposition 218, SFPUC cannot use rate revenue to fund customer assistance programs. Funds for customer assistance programs must be directly drawn from the General Fund.

## **12. Baltimore City Department of Public Works**

### **Affordability Programs**

The Baltimore City Department of Public Works (DPW) offers several programs to assist qualifying Baltimore City customers who need financial assistance. These programs include bill adjustments, extended payment plans, bill credits, and fee exemptions. In response to COVID-19, the Mayor of Baltimore City announced a 3-month delay of FY21 rate increases, including water, sewer and stormwater rates. Late fees are also not assessed for overdue water bill payment, and water is not shut-off due to lack of payment. In addition to DPW, the Mayor's Office of Children and Family Success also accepts applications for DPW's water affordability programs.

The DPW Monthly Water Bill Payment Plan Program provides payment options to assist businesses, homeowners and tenants who have fallen behind on water bill payments. Those enrolled in the income-based program receive a \$250 grant toward outstanding balances and must agree to make monthly payments toward remaining balances.

The Baltimore H2O (BH2O) Assists Program targets customers whose household income is at or below 175 percent of the federal poverty level. Under this program, charges for water and sewer usage are discounted by 43 percent and the Bay Restoration and Storm Water Remediation fees are waived. This assistance reduces a "typical" residential water bill by approximately \$40. The BH2O Plus Program offers additional financial assistance to customers whose household income is at or below 50 percent of the federal poverty level. This program provides the same level of assistance as the BH2O Assist Program, in addition to providing an additional yearly grant, set currently at \$257 for eligible customers.

In light of the economic disruptions caused by COVID-19, DPW also implemented the Emergency

COVID-19 Discount Program for any Baltimore City water account holder who demonstrates proof of unemployment. This discount will provide the same assistance that eligible BH2O Assists and BH2O Plus enrollees currently receive. DPW is also exploring a mechanism to accept charitable donations to assist low-income residents in paying their water bills.

DPW raises awareness of affordability programs using a variety of outreach and communications methods, including partnerships with community liaisons. Press releases are issued, in addition to frequent posts on social media. City Council members and the Mayor's Office of Children and Family Success also share information with constituents about DPW's customer assistance programs.

For more information about DPW customer affordability programs, visit:

- <https://publicworks.baltimorecity.gov/Baltimore%20Water%20Affordability%20Programs>

### **Rate Structure**

DPW's rate structure does not integrate affordability factors, meaning the utility does not use the income of ratepayers to either modify the rate structure itself or provide discounts to uniform rates after the bill is calculated for low-income customers. Baltimore citizens have asked if they can donate funds to DPW for those who need help paying their water bills. DPW is currently exploring a mechanism to allow for these donations.

### **Impacts of COVID-19**

In response to the financial impacts to COVID-19, DPW announced the new Emergency COVID-19 Discount Program. This program is offered to Baltimore City water account holders who demonstrate proof of unemployment eligibility. The discount provides the same assistance that eligible BH2O Assists and BH2O Plus participants currently receive.

## **13. New York City Department of Environmental Protection**

### **Affordability Program(s)**

The New York Department of Environmental Protection (NYDEP) offers customer assistance to single-family households, multi-family households and customers experiencing high water bills due to leaks. Partnerships and leveraging other NYC customer assistance programs enables the utility to provide financial assistance to low-income customers.

The Home Water Assistance Program (HWAP) is an initiative to reduce water and sewer bills for low-income homeowners. NYDEP has partnered with the NYC Human Resources Administration and the NYC Department of Finance to select over 50,000 qualified households of one to four members who received the Home Energy Assistance Program Regular Heating Benefit for the 2019-2020 heating season, a Senior Citizens Homeowners Exemption, a Disabled Homeowners Exemption or an Enhanced School Tax Relief benefit in tax year 2019. NYCDEP customers who qualify for these programs are automatically enrolled in the HWAP. A credit of \$115.89 appears on the first NYDEP bill received after the credit is applied. HWAP supports approximately 51,000 households.

NYDEP also offers the Multi-family Water Assistance Program (MWAP), in conjunction with the Department of Housing Preservation and Development (HPD) and the Housing Development

Corporation (HDC). This program provides a credit for eligible HPD or HDC-assisted affordable multifamily housing projects. Eligible projects can receive a \$250 credit per residential unit on their water and sewer bill(s) on a first-come, first-served basis, as enrollment is limited. The MWAP program currently has more demand than available funding. MWAP currently supports approximately 40,000 apartment units.

The NYDEP Leak Forgiveness Program is designed to provide financial relief to customers while also incentivizing water conservation. To be eligible, a property must be billed on metered charges, have a leak that costs equal to at least 200 percent of a normal bill from a representative billing period and have the leak fixed within 120 days from the date of the original high-usage bill. The Leak Forgiveness Program supports approximately 3,800 customers.

The NYDEP Water Debt Assistance Program (WDAP) supports multi-family homeowners who are on the 90-day lien sale list and are currently under threat of foreclosure or mortgage delinquency. If qualified, NYDEP will remove their property from the upcoming lien sale and defer the debt until the property is sold, refinanced, or the owner has the ability to pay the debt.

For more information about NYDEP's affordability programs, visit:

- <https://www1.nyc.gov/site/dep/pay-my-bills/home-water-assistance-program.page>
- <https://www1.nyc.gov/site/dep/pay-my-bills/water-debt-assistance-program.page>

### **Rate Structure**

NYDEP's current rate structure does not integrate affordability factors, which means the utility does not use the income of ratepayers to either modify the rate structure itself or provide discounts to uniform rates after the bill is calculated for low-income customers. However, the utility is undertaking a rate study.

### **Impacts of COVID-19**

NYDEP has maintained the same level of funding for the affordability programs while experiencing an increase in delinquencies.

## **14. Buffalo Water**

### **Affordability Program(s)**

Buffalo Water is committed to helping customers receive affordable water services and works to balance affordable rates and the need for infrastructure investments. Both drinking water and sewer rates are unaffordable for some segments of the population, especially those on fixed incomes – including elderly and/or low-income individuals. There are significant subsets of the population with economic challenges, and these populations are the most likely to be forced to decide between paying their sewer bills and paying for other necessities. As a result, the City of Buffalo has established a Water Equity Taskforce to address these challenges.

The Buffalo Water Pathways to Affordable Water (PAW) is an initiative to assist residents with making their water bills more affordable through financial assistance, education and conservation. Eligible

residents receive a discounted rate on water bills of 20 to 60 percent. However, there is only currently a three percent participation rate compared to a ten percent goal of eligible and enrolled customers.

In response to COVID-19, Buffalo Water has partnered with the City of Buffalo to institute the Water Amnesty Program for eligible residents. This program waives any late fees or interest for individuals who have had their service shut-off due to delinquent payment. The program will:

- Forgive interest and penalties associated with account balance, forgive the meter fee, and forgive any charge related to a burst meter, if applicable.
- Require the homeowner to sign up for a 12-month plan to repay the past due amount.
- Allow the installation of advanced meter reading technology.
- Enroll in automatic monthly billing so residents can continue to make timely payments and remain current on their bill.

Buffalo Water also offers an education outreach initiative to inform customers about various affordability programs. Outreach includes the following tactics:

- Bill statement stuffers with information about affordability programs.
- Brochures given to various community organizations, food distribution events, local Catholic charities, and the Department of Social Services.
- Press releases to local media.
- Appearances on two local community radio shows.
- Facebook updates on the Get Water Wise page.
- Doorhangers.

For more information about Buffalo Water's affordability programs, visit:

- <https://buffalowater.org/>
- <https://getwaterwisebuffalo.org/en/>

### **Rate Structure**

Buffalo Sewer eliminated a block rate and raised the rate on the commercial block rate to more closely reflect equitable rates. In addition, Buffalo established a Residential Affordable Water Program designed to assist the most vulnerable with paying their water bills.

## **15. WSSC Water**

### **Affordability Program(s)**

WSSC Water offers enhanced customer assistance programs to lessen the financial burden of water services among its customers, particularly low-income customers. These programs involve bill credits, bill adjustments, payment arrangements, and partnership with local community organizations to offer additional financial assistance.

For WSSC customers who need immediate financial assistance, the utility offers bill adjustments under certain circumstances for residential customers once every three years. Flexible payment options are also available to extend bill due dates and payment plans to help with unexpected financial hardships.

For those who need long-term financial assistance, WSSC customers may be eligible for one of three programs that can reduce future water bills. The Customer Assistance Program (CAP) provides residential customers with a credit for WSSC's fixed fees on water and sewer bills up to \$28 per quarterly bill or up to \$112 annually. The program is administered by the Maryland Office of Home Energy Programs (OHEP), in partnership with WSSC.

Alternatively, the Water Fund allows for multiple requests for assistance with water and sewer bills, up to \$500 per year. This program is administered by the Salvation Army and is funded by donations from customers, employees and community partners. The Bay Restoration Fund Exemption Program also waives the state mandated Bay Restoration Fund fee up to \$60 annually for eligible customers.

In FY21, there are approximately 14,370 customers enrolled in the CAP, representing a three percent increase over the year-end of FY20 enrollment. Since July 1, 2020, WSSC Water has waived \$830,603 in fees for CAP customers. Since COVID-19 began, the Water Fund has distributed \$327,651 in emergency financial assistance to 2,447 customers to offset the costs of water and sewer bills. Since 1994, the Water Fund has distributed nearly \$1.6 million to help approximately 17,300 people throughout Montgomery and Prince George's counties in Maryland.

The WSSC PipeER Program provides loans to finance the replacement of water service lines on residential property. PipeER is administered by the WSSC Federal Credit Union who is responsible for underwriting and issuing the loans. Customers are eligible to receive a \$5000 maximum loan, paid directly to a WSSC licensed plumber.

In 2020, WSSC launched a comprehensive revenue recovery and outreach initiative. The initiative included a customer engagement campaign that started with a letter sent to customers who were more than 180 days past due, encouraging them to contact WSSC's customer service team for financial assistance options and/or to create payment plans. Proactive robocalls were also initiated focusing on customers who were less than 180 days past due. To-date, 77,000 letters have been sent, 79,000 robocalls delivered and 8,175 new payment plans have been established.

As a result, there has been a 54 percent increase in active payment plans since the letter outreach began and a 42 percent increase in active payment plans since the initiation of robocalls. Extensive outreach to customers also occurs via social media, media interviews and Interactive Voice Response System messaging. Since November 2020, nearly 31,500 bi-lingual financial assistance flyers have been distributed to more than 100 non-profit, community, agency and faith-based partners and WSSC staff have conducted ten presentations to more than 400 individuals within the utility's service area.

For more information about WSSC's affordability programs, visit:

- [www.wsscwater.com/assistance](http://www.wsscwater.com/assistance)
- [www.wsscwater.com/heretohelp](http://www.wsscwater.com/heretohelp)
- [www.wsscwater.com/customer-service/rates/fees.html](http://www.wsscwater.com/customer-service/rates/fees.html)
- [www.wsscwater.com/rates](http://www.wsscwater.com/rates)

## Rate Structure

WSSC implemented a new rate structure in 2019, which takes great care to ensure that rates consider equity, cost of service, fairness, and financial stability. This involves a combined water/sewer volumetric rate structure for all 1.8 million customers, including a 4-tier inclining block structure meaning that the price for water increases as customers use more water and enter higher tiers. This is the first new rate structure in more than 25 years. With the passage of the Maryland Water Conservation Act of 2002, the Maryland Department of the Environment's regulatory guidance specifically identifies an inclining block rate structure as a pricing strategy that encourages water conservation. The new rate structure also addresses affordability and significantly simplifies the rate structure for customers.

## Impacts of COVID-19

Since March of 2020, WSSC has seen payment rates decline, however has not seen an anticipated exponential increase in customers participating in affordability programs. The utility believes that the primary reason is due to the utility moratoriums on late fees and disconnections, providing customers more flexibility in paying water and sewer bills. Furthermore, financially struggling customers do not need to worry about the water shut-offs and therefore are more focused on trying to meet more immediate needs – groceries, medications, rent or mortgage payments.

COVID-19 continues to impact WSSC's receivables. From July 2020 through December 31, 2020, the actual number of payments received was down 7.7 percent from the expected payment target and down 10 percent from best practice targets. WSSC continues to experience an upward trend in the number and amount of past due accounts. While revenue recovery initiatives implemented in October 2020 have slowed the trajectory, the number of past due accounts and amounts as of December 2020 have continued to increase since March FY20.

WSSC Water instituted a self-imposed shut-off moratorium and was not assessing late fees on outstanding bills. CAP enrollment has declined compared to projections of 10 – 15 percent growth at the beginning of FY21 to 3 – 5 percent growth. Despite the impact of COVID-19 on so many families, the utility moratoriums on late fees and disconnections allowed families more flexibility in paying their bills.

As a result, the sense of urgency to apply for assistance has declined. Specifically, according to the Office of Home Energy Programs (OHEP), applications for the Low-Income Energy Assistance Program (LIHEAP) are only up 3 percent, which is the exact increase WSSC Water has seen with CAP enrollment. Local OHEP offices in two counties are also experiencing processing delays due to the number of applications they are receiving. This may also be contributing to the slow growth in CAP enrollment.

## 16. AlexRenew, Alexandria, Virginia

In 2016, AlexRenew created the Water Assistance That Empowers Residents Fund, or WATERFund, to help AlexRenew customers having trouble paying their AlexRenew bill. Funded thanks to donations from generous community partners, AlexRenew's WATERFund offers bill relief to those who may be struggling to pay their sewer bill.

In addition to the financial assistance provided through the WATERFund, AlexRenew offers payment flexibility to those in need. If a customer has a previous balance with trouble paying, AlexRenew can set up a payment plan to any customer for any reason, up to 48 months with zero down.

AlexRenew has also adopted an innovative approach to capping wastewater charges based on “winter average.” When it comes to wastewater service, customers should only be charged for indoor water use and not for warm-weather activities like washing cars or watering lawns. If a customer lives in a single-family residence, the maximum water use on her AlexRenew bill from March through November is capped. The cap is set at either the average monthly residential use during the previous winter period (December through February) or 4,000 gallons, whichever is greater.

For instance, if the winter average is 5,000 gallons, when the household uses less than the 5,000 gallon cap, they are billed for actual use. But if the household uses more than 5,000 gallons, the wastewater treatment charge is capped at 5,000 gallons.

For more information about AlexRenew’s affordability programs, visit:

- <https://alexrenew.com/customer-center/rates-and-billing-residential-customer>

## **17. Camden County Municipal Utility Authority**

The Camden County Municipal Utilities Authority (CCMUA) provides service to 500,000 residents living in 37 municipalities in Camden County, NJ. The CCMUA’s regional wastewater treatment plant is in Camden City and the CCMUA owns and operates a regional sewer interceptor system that conveys flows from the other 36 suburban communities into Camden for treatment.

Camden City is one of the most economically distressed communities in the United States with a pre-COVID-19 median household income of \$26,000 and a pre-COVID-19 unemployment rate just below 10 percent.

New Jersey directly prohibits water and wastewater utilities from providing low-income community benefits that result in one class of utility customers paying for another class of customers based on income. Therefore, the CCMUA cannot provide low-income households in Camden City with any direct assistance.

However, the CCMUA noted that its capital and operations costs consisted of costs associated with (1) the regional wastewater treatment plant and (2) the regional interceptor sewer system. All 37 municipalities benefited from the regional wastewater treatment plant, but the City of Camden did not benefit from the regional sewer system since the treatment plant is located in Camden. Therefore, the CCMUA provided a host community benefit to the residents of Camden City, based on the proportional cost of the regional interceptor system. As a result, while the regional bill was \$352 per household per year, the annual bill for Camden residents was reduced to \$220 per year.

It is recognized that there are some affluent households in Camden that benefited from this approach, and there are some low-income households in the suburban municipalities that did not benefit. However, the demographics of Camden County are such that there was about an 80 – 90 percent

correspondence to a true low-income household benefit, if such a benefit were allowed in the State of New Jersey.

For more information about CCMUA, visit:

- <http://www.ccmua.org/>

## **18. The City of Ashland Department of Public Works, OR**

The City of Ashland offers a variety of low-income assistance programs for citizens who may have difficulty paying their utility bill, as many of Ashland's low-income residents have difficulty paying their basic monthly utility services. The Round Up Program allows Ashland utility customers to voluntarily round up their utility bills to the nearest dollar. The additional funds accumulated will be devoted to assisting low-income Ashland residents with their monthly utility bills.

Customers who qualify for low-income assistance are screened to determine eligibility. In addition, occasionally customers who don't necessarily qualify as low-income may need some assistance due to personal difficulties. These funds will be used to assist qualified, low-income customers and can be used in an emergency to help others on a one time per year only basis. The Senior Utility Discount Program offers a year-round discount on Ashland utility bills for income-qualified persons aged 65 or older, or qualified disabled persons aged 60 or older.

For more information about Ashland's affordability programs, visit:

- [www.ashland.or.us/Page.asp?NavID=12383](http://www.ashland.or.us/Page.asp?NavID=12383)

## **19. Jackson Water Department, MS**

The Jackson Water Department in Mississippi has seen an increase in customers falling behind on paying water bills since COVID-19 began. Customers experiencing a financial hardship due to the COVID-19 crisis and needing help paying for water bills may receive financial assistance. While the City is not conducting water shut-offs, customers are still billed for water usage. Getting financial assistance now can help customers avoid a larger balance or possible service disruption in the future.

The Water Department has identified 2,200 residential customers who are in "shut-off status". That means if the City were to perform water shutoffs, those customers would lose water service due to unpaid bills. The City of Jackson continues to work with residents on ways they can afford unpaid water bills. The help is available through various programs leveraging COVID-19 relief funds. Since the onset of COVID-19, the Jackson City Council has assigned a total of \$246,000 to the Water Shut-off Protection Program with the use of federal COVID-19 relief funds. The program is open to low-income City of Jackson residents who have unpaid water bills.

With approximately 14,400 water customers in the system, it is projected that 15 percent of customers are severely behind on paying water bills. In December 2020, hundreds of Jackson residents with unpaid water bills saw some relief from the State of Mississippi. COVID-19 relief funds from the State were automatically applied to the accounts of 506 low-income water customers in Jackson, amounting to \$130,445 in aid.

Severe winter weather in February 2021 also caused significant disruptions to water and sewer service in Jackson, further exacerbating the need for water infrastructure funding and highlighting the affordability challenge facing Jackson ratepayers.

For more information about Jackson's affordability programs, visit:

- [www.cityofjackson.org/262/Billing-Division](http://www.cityofjackson.org/262/Billing-Division)
- [www.wilx.com/2021/02/16/efforts-continue-to-help-jackson-residents-with-unpaid-water-bills/](http://www.wilx.com/2021/02/16/efforts-continue-to-help-jackson-residents-with-unpaid-water-bills/)

## 20. **Tucson Water, Tucson AZ**

The City of Tucson, through its municipal agency Tucson Water, offers a comprehensive program for low-income customers called the Community Assistance Relief Eligibility System (CARES). This program is particularly important for Tucson because of its increasing block rate system – which is used to create an incentive to save water in an arid region and charges more for water the higher the usage. Tucson officials believe this is a reasonable policy to achieve an important goal, although it may also cause much higher bills for larger families, which is particularly challenging for those which are also low-income.

The local CARES program, not to be confused with the federal COVID-19 relief program, provides a tool to determine eligibility for a range of affordability programs for Tucson residents – although applications must be made to specific departments for specific benefits. If eligible, Tucson Water offers a wide range of supportive services:

- Provides a monthly discount to qualified customers for monthly utility services statement charges. The discount can be up to three years from the approval date. This discount ranges from 25% (150% of poverty level), 50% (125% of poverty level) and 75% (100% of poverty level).
- Offers payment extensions and payment plans, which can be applied to through the IVR (Interactive Voice Response) system.
- Courtesy adjustments based on use due to leaks.
- Short-term assistance based on emergencies and special hardships.

The cost of these programs is born by the overall revenue from the rates and revenues generated by all Tucson Water customers.

For more information:

- <https://www.tucsonaz.gov/water/low-income-assistance-program>

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