

The New York Water Environment Association, Inc.

The Water Quality Management Professionals

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May 4, 2020

The Honorable Paul Tonko 2369 Rayburn House Office Building U.S. House of Representatives Washington, DC 20515

Dear Congressman Tonko,

On behalf of the New York Water Environment Association (NYWEA), I write to urge your support for provisions in the next coronavirus federal relief legislation to support low-income and unemployed ratepayers of wastewater, drinking water and stormwater utilities. NYWEA also seeks your support for aid to utilities that have experienced significant revenue losses due to the coronavirus pandemic. The water professionals running both drinking water and clean water facilities are essential partners in stopping the spread of the virus by providing safe water for healthcare and the public.

As Congress drafts a package to provide assistance to communities, NYWEA has been hearing increasingly from our members and utilities across the State of New York about their mounting financial challenges as a result of the pandemic. Most utilities are projecting 30 - 50% reductions in revenues from commercial and industrial customers, which for many utilities is the overwhelming majority of ratepayer revenues. With offices, restaurants, manufacturing facilities, campuses, and public buildings closed -- and projected to remain fully or partially closed for months -- this dip in revenues has created a sizable budgetary hole for utilities, particularly small and rural ones.

Many communities in New York already had high numbers of low-income ratepayers that were struggling to pay *all* of their bills, but with the recent spike in unemployment, which is disproportionally impacting lower-income households, utilities are forecasting significant increases in residential delinquencies. For residential customers, there has been a ten-fold increase in the number of delinquent accounts for utilities that bill monthly, with an expected even higher rate of delinquencies for quarterly billing. Additionally, since most residents are sheltering at home, their drinking water and wastewater usage has increased significantly, which will result in higher residential bills. Since safe drinking water and wastewater removal is central to the fight against coronavirus, utilities are not cutting off service to customers, and in many cases restoring service to confirmed occupied residences. When this crisis is over, those delinquent bills will be a sizable burden on low-income and unemployed ratepayers.

The financial impacts of the challenges detailed above affect operational decision-making and proper infrastructure asset management. While utilities will continue to provide safe drinking water and treat wastewater to stop the virus spread, many utilities are postponing necessary maintenance on critical equipment or streamlining operations to reduce costs, the long-term financial and operational impacts of which are unknown. Emergency funding from the federal government to help fill the budget gap utilities are experiencing from lost revenues and delinquent bills of low-income and unemployed ratepayers would assist in avoiding future operations and maintenance problems.

NYWEA strongly urges Congress to include two means of assistance in the next coronavirus relief package:

- Aid to eliminate delinquent bills of low-income and unemployed ratepayers of drinking water, wastewater, and stormwater utilities. Recent estimates of national needs by the Water Environment Federation and other national water associations find at a minimum \$3 billion is needed to assist low-income and unemployed ratepayers.
- Assistance to drinking water, wastewater and stormwater utilities to off-set revenue losses due to the coronavirus economic collapse. Recent estimates of national needs by the Water Environment Federation and other national water associations find approximately \$26 billion is needed to assist with reductions of 20-30% in commercial and industrial customer revenues.

Thank you for your service to New York and your long history of being a champion for water in Congress. Please feel free to contact our Executive Director, Patricia Cerro-Reehil, at the number above if you have any questions or need additional information.

Sincerely,

William J. Nylic, III, P.E., PMP

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President