

2020 Water Customer Assistance Program Survey

October 15, 2020

On July 31, 2020, the Governor's [proclamation](#) 20.23.7 required water systems to develop a Customer Assistance Program (CAP) to assist customers who have been impacted by the COVID-19 epidemic. In response, the Department of Health surveyed 2,016 drinking water systems represented by 1,770 individual entities. The insights from this survey will be used to provide technical assistance and support to water systems as they establish or improve their customer assistance programs.

Table 1: Survey Responses by Entity

Entities (Connections)	City/Town, or County (18)	Special Purpose District (26)	HOA/ Cooperative (18)	Other Entity (8)
0-1000 (35)	5	8	17	5
1,001-15,000 (21)	7	10	1	3
Over 15,000 (14)	6	8	0	0

General Findings

- The survey contains responses from 70 entities, which represent over 600,000 residential accounts.
- Of the 70 responses, 34 had an established Customer Assistance Program (CAP) prior to COVID-19.
- Of the 36 without an established CAP, 18 have developed one after the Governor's proclamation.
- COVID-19 has decreased the ability to pay water bills for many residential water service accounts.
- Payment plans are the most common type of CAP deployed.
- Accounts in the arrears (eligible for shutoff) increased 430% from June 2019 to June 2020. These accounts would have been shut off without the proclamation prohibiting it.
- CAP enrollment increased nearly 20% from June 2019 to June 2020. Approximately 5,000 more accounts utilized a CAP with the largest increase primarily associated with Seattle Public Utilities.
- Most utilities do not know the percentage of CAP eligible customers that are not enrolled.

Revenue Impacts

- Since COVID-19, uncollected water service revenue ranges from less than 1% to 20% of utility revenues.
- More than 20,000 accounts are in arrears and not currently enrolled in a CAP (3.4% of the sample). This translates to between \$1 million and \$1.5 million in uncollected revenue monthly.^A
- The states' 2,016 drinking water system serve approximately 2.4 million residential connections. If all utilities are experiencing a similar level of delinquent accounts, this translates to between \$4 and \$6 million each month in uncollected revenues. These figures neither include lost revenue from late fees, nor lost or delayed revenues from commercial accounts.
- Annualized, estimated residential rate revenue loss from COVID-19 is between \$50 and \$70 million.

Table 2: Impacts on Residential Drinking Water Accounts Before and After COVID-19

Residential Accounts	Accounts shut off (2019)	Accounts eligible for shut off (2020)	Accounts over 30 days past-due (Not enrolled in CAP)	Accounts in CAP (2019)	Accounts in CAP (2020)
>1000	28	100	199	42	71
1000-15,000	393	2,579	4,617	1,688*	1,206
< 15,000	2,347	11,965	15,674	25,713	31,637
TOTAL	2,768	14,644	20,490	27,443	32,914

*The decline in enrollment in this group of utilities is interesting and may benefit from additional evaluation.

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Available Programs and Types

- Approximately 50% of systems under 1,000 connections do not currently have a CAP.
- Of the 70 responses, 49 identified a primary plan and 34 identified other plans for ratepayer assistance.
- The majority of programs are funded by rate revenues, and few by available CARES resources.

Table 3: How Utilities Provide, Administer, and Fund CAPs

Category (responses)	n (%)	Key Findings
Primary Plan (49)	32 (65%)	Payment plans
	6 (12%)	Bill discount
	4 (8%)	Crisis funding
	7 (14%)	other
Other plans (34)	16 (47%)	Payment plans
	7 (21%)	Bill discount
	6 (18%)	Crisis funding
	20 (59%)	Fixed charge, Lifeline, % of income, arrears forgiveness, budget plan, or other
Program Administration (44)	37 (84%)	Self
	4 (9%)	Third party
	3 (7%)	other
Program funding (35)	19 (54%)	Rates
	10 (29%)	Volunteer donations
	3 (9%)	CARES Act
	3 (9%)	other

Systems without CAPs

- Prior to the Governor's proclamation, 36 systems did not have a CAP.
- After the proclamation, 18 systems still do not have a CAP.

Table 4: Thoughts from Utilities That Do Not Have a CAP

Category (responses)	n (%)	Key Findings
What factors prevented your system from creating a CAP? (30)	13 (43%)	Not an issue
	11 (37%)	No formal program- will work with customers
	1 (3%)	Don't have financial resources
	5 (17%)	Other
Would customers benefit from a CAP? (34)	16 (47%)	Yes
	7 (21%)	No
	6 (18%)	I need more information
Would availability of state or federal funding encourage you to develop a CAP? (31)	10 (32%)	Yes
	13 (42%)	No
	8 (26%)	Only if I don't have to administer it

^A Based on the average monthly bill reported by each utility and multiplied by the reported number of accounts more than 30 days past due, this equates to \$1.44 million in uncollected revenue monthly. Based on the median of the average monthly bill (approximately \$50) multiplied by the total number of accounts more than 30 days past due, this equates to \$1 million in uncollected revenue monthly.