

Long-term Impacts of COVID on the Water Sector

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States Adapting to Change: Systems and Processes



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Long-term Data

- For closed facilities that are granted a break in monitoring:
 - LCR implementation at schools, which have broadly closed, is problematic.
 - SDWIS and regulations are not helpful – but of course they never anticipated this type of event either. So creating extra work to keep systems in compliance.

Financial Standing of Water Systems

- Mandatory no shut-offs Emergency Executive Order issued.
 - Complementary to the shelter-in-place requirements.
 - Does not forgive any debt accrual.
- Undertook voluntary survey to assess impacts in June
 - Very poor results with only 10% response
 - Maybe was too early – maybe survey fatigue – maybe concern with telling the regulator information
 - Possible concern over revealing financial information or causing needs for disclosure to bond holders, etc.
- Then in the Fall things seemed to change...

Financial Standing of Water Systems

- Starting getting calls from water systems expressing concerns:
 - Large number of accounts not paying.
 - A few systems reporting 30% to 50% non-payment – one of them with ~5,000 connections.
 - Seems to be really community dependent.
- Our Board has directed us to undertake a phone survey, contemplated a mandatory reporting order.
 - Sample size of 400 systems to get statistically valid result.
 - Considering this an emergency response action so redirecting staff from standard workload.
 - In the process of developing questions and will be training staff.

Consumer Debt

- What happens when COVID emergency declared over?
 - No-shutoff order expires.
 - Consumers will not magically be able to pay all in arrears debt.
 - CA does not have uniform requirements for payment plans, etc.
- Impacts to water systems
 - Long term financial impacts?
 - Credit rating impacts and increased borrowing costs?
 - Reduction in capital works projects?
 - What if needed to return to or remain in compliance?
- Safe Drinking Water State Revolving Fund Impacts?
 - Leveraged bond coverage?
 - Increased future leveraging costs?

Future Program Implementation Costs

- Shift in workforce costs?
 - Computer equipment and home office supplies for new telework norm.
 - Maintaining safe and ergonomic workplaces?
 - Vehicles
 - Increased need for four-wheeled drive vehicles for inspections
 - Staff training and mentoring?
 - Increased manager workload
 - Transition to telework seems to have worked well because of existing established relationships, but how do you incorporate new staff into a workgroup and develop same relationships?