

Public Water Utilities Keep Communities Strong

Clean and safe water are essential. The pandemic has underscored just how critical hygiene and sanitation are to protecting public health and supporting strong economies. It has also brought greater attention to the challenge of ensuring affordable water access for all.

From treatment to distribution, from watershed management to pipe repair, providing clean and safe water is costly. In the U.S., the vast majority of clean and drinking water services are provided by public, not-for-profit local utilities, making utilities accountable to the public they serve, not private investors.

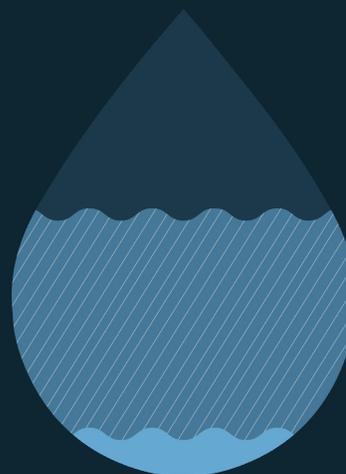
The water affordability challenge is real. Factors such as growing income inequality, increasing regulatory compliance costs, aging infrastructure repairs, and population shifts have conspired to make affordable water service increasingly unattainable for low income households. The sudden disruption of the pandemic quickly grew the number of water customers facing challenges paying their water bills.

The pandemic impacted water utilities in numerous ways, including revenues due to changes in water use demand and new costs to protect staff and operations. Nonetheless utilities continued to operate essential services around the clock. Utilities also took action to ensure access to water as more people stayed at home and as financial hardship grew. Many utilities halted shutoffs, restored prior disconnections, expanded flexible payment options, and more.

As the pandemic unfolded, emergency actions utilities undertook helped ensure access to water services for thousands. Of course, these actions did not eliminate the cost of providing water service. Nearly one year of the pandemic, utilities and their customers are facing significant balances of unpaid arrears. Unpaid balances are untenable both for the customer who worries about paying them and the utility who isn't getting paid for services provided. Over time, unpaid balances can threaten the ability of the utility to invest in its system, lead to higher rates, and make local public utilities greater targets for privatization.

Federal assistance must be the starting point to helping maintain access to water. The FY2021 Consolidated

Federal Investment in Water Infrastructure



The federal government's investment in water infrastructure has decreased from 63% in 1977 to less than 5% in 2020.

63% in 1977

9% in 2014

Statistics derived from the report, *The Economic Benefits of Investing in Water Infrastructure*, published by the Value of Water Campaign.

Closing this gap saves businesses **\$94 billion** in annual sales and **505,000 jobs** over the next 10 years.

Appropriations Act recognized the vital need for water assistance, providing an historic one-time influx of \$638 million of federal relief for water customers. This one-time influx will provide crucial security to water customers and stability to water utilities over the short term. But it remains well below total need, which has been estimated at over \$8 billion for clean and drinking water. We urge that the 117th Congress make this a permanent and fully funded program reflective of the true water assistance need.

We also urge direct relief for clean and drinking water utilities be prioritized, an unmet need in the COVID-19 packages to date. Relief will help utilities recover from the financial impacts of COVID-19 and be crucial drivers in our nation's economic recovery. Water utility investment also helps create jobs. Utilities provide local jobs and invest in crucial public works – health and environmental protection – that directly serve their communities.

We urge Congress and the Biden Administration to work together to prioritize investing and maintaining resilient water systems with the technical and financial resources needed to ensure affordable and accessible water services and water quality protection for all.

