

Water Equity

Federal Opportunities in Response to COVID-19 Pandemic

This document reflects the various conversations and notes taken during the Clean Water for All coalition Policy Roundtable hosted by American Rivers and Natural Resources Defense Council on April 21, 2020. Included are concepts and ideas raised by different participants that can act as principals or policy concepts to help advance water equity and affordability efforts specific to the COVID-19 crisis. Please take note that there continues to be a lot of movement on Capitol Hill and some of the concepts below could be already included in legislation by the time of the next roundtable convening.

The waters of the United States are held in trust by the government for the benefit of the people of the country. This includes and is not limited to the use of those waters for drinking water. It is the responsibility of the entities that harness that water for drinking water purposes to bear the burden of that trust and provide access to clean, safe and affordable water for all.

Clean water is a human right. We depend on water to live and as drinking water quality has improved our life expectancy has improved. Clean water provides life and is a basic need to build true social mobility. Without clean water supplies we condemn people to poorer health and shorter lives. Crops, livestock, and community gardens cannot grow without clean water. If water service is cut off to people, alternatives must be found for clean drinking water and many people resort to bottle water which is much more expensive and limits the ability of people to bathe and wash. More than two million people in our country are living without running water, indoor plumbing or wastewater treatment which places those families and entire communities at a higher health risk. The need for water for the sake of public health is undeniable. Regardless of financial capacity for the health of our community we must build a water system that ensures people have the clean water they need to thrive.

Our water infrastructure is failing in many places across the country and utilities are not financially capable of creating the funds on their own to reliably maintain their systems. This is particularly true in systems that serve predominately low-income communities and communities of color. These utilities are caught in a financial bind between taking on loans to be able to maintain and rebuild their system and having the rate revenue to repay those debts. That dynamic creates the demand on the utility that every user must pay- regardless of ability- for the water that is used. This leads to regular water shutoffs and insurmountable bills for financially distressed individuals. We must break that cycle. Water systems must have at their core the mission of equitably delivering clean and safe water for all. They must uphold their duty to hold the public's water in trust as a resource for the entire public including people of color and low-income people.

The COVID-19 health crisis is amplifying the numerous inequities in how critical services are provided in our country including access to clean and affordable water. During this crisis a systemic change must be made to ensure that clean water is accessible to people whether they have the financial ability to pay their bill or not. Action at the federal level is needed ensure all communities receive clean, safe and affordable water during this unprecedented crisis.

Potential federal policy and funding in response to COVID-19:

1. Mandatory national water cut-off prohibition and water reconnections needed to protect people during this pandemic
 - a. Utilities are responsible for restarting service including identifying locations that need to be restarted and reconnecting those residences.
 - b. Under the commerce clause of the U.S. Constitution the federal government can limit access to federal funds and federal commerce (including private loans) to only those utilities that have instituted these policies. This could include- at a minimum- eligibility for funding for states via the Drinking Water and Clean Water SRFs and could be expanded to all federal water funding that is passed to the states (Farm Bill, 319 funds, funds to implement CWA programs, etc.)

2. Direct federal funding
 - a. Funding to water utilities that have prohibited water cut-offs for non-payment and reconnected water service to eliminate debt (individual and utility) due to the continued delivery of water
 - i. Use authority under the State and Tribal Assistance Grants program area to create a fund to implement this one-time debt offset
 - b. Funds to focused communities that have been under invested in to replace and repair infrastructure that is releasing toxins into drinking water lines (e.g. lead) and reduce sewer backups into homes and neighborhoods.
 - i. Funding for replacement of Lateral Service Lines (LSL) that are suspected to have lead contamination or other failures on the private property side of the connection.
 - ii. Federal debt forgiveness (for SRF loans) and funding to eliminate private debt for past infrastructure improvements tied to a shift to an equitable rate structure.
 1. One-time additional capitalization to the SRF programs in states for amounts they have identified to offset loan repayments.
 2. Direct grants from EPA to utilities that have private debt
 3. Only possible once equitable rate structure has been approved
 - iii. Funding in rural areas that have contaminated ground water to provide new drinking infrastructure (depending on local needs/desires could be new drinking water system, connection to existing system, new well, etc.)
 - c. Launch a federal program to provide funding for individuals and policy assistance to utilities for low-income ratepayers of drinking water systems.
 - i. Low Income Assistance Fund for Water Access- funding program modeled off of the Low-Income Heating and Energy Assistance Program (LIHEAP) as a bridge process to reduce/eliminate cut-offs in the near term.
 - ii. Use authority under the State and Tribal Assistance Grants program area to create program.
 - d. Funding program for individuals (owners or renters) to improve water management (water supply lines, wastewater pipes, stormwater practices) on properties where they reside.

- i. Department of Housing and Urban Development CDBG program could be used to provide this funding to states/localities
 - ii. Includes funding for 'fix a leak' home restoration, replacement of residential water fixtures
 - e. Funding to provide technical support to smaller utilities to improve water service provision including analysis of long-term sustainability and potential merger with other utilities to better provide clean, affordable water and wastewater treatment.
- 3. Use of federal resources to provide clean water supplies
 - a. Mobilize U.S. Army Corps and National Guard to provide emergency construction services in under invested communities to replace failing or toxic water infrastructure.
- 4. Development of water affordability programs
 - a. Data collection and reporting is critical
 - i. Water accessibility needs to be part of the census process
 - ii. Transparent/accurate record keeping of rates
 - iii. Direct Environmental Finance Center to develop rate structuring model and policy focused on affordability and efficiency
 - b. Automatic enrollment in program if a person/family meets certain thresholds (Y times the poverty rate, amount of debt due to non-payment of water bill, other?)
 - c. Development of engagement/technical assistance program to support water customers interactions with the water utilities
 - i. Water Democracy- supports ways to empower the community to make decisions
 - d. Succession Planning/Workforce development in the water sector
 - i. Create funding within the Department of Education for schools to provide technical education on water management
 - ii. Tie federal water funds to the provision of training, employment, contracting and other economic opportunities to low- and very low-income person in the water management field modeled off of the HUD Section 3 program.
 - e. Prohibit state barriers to allowing the development of local affordability plans including the use of rate payer funds to support the program