EFCN: Smart Management for Small Water Systems

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Smart Management for Small Water Systems

#### Keeping the Water on During & After the COVID-19 Pandemic

#### About IB Environmental





- Work with local utilities and their partners to develop and improve customer assistance programs (CAPs)
- Design CAPs that ensure water services are well-funded but also accessible to low-income customers
- Work on policies related to affordability at the state and national levels

### Outline

- Addressing nonpayment through:
  - Shutoffs
  - Customer Assistance Programs (CAPs)
  - Restricted flow (lowering bills)
- Practical tips on lowering operating costs



#### POLL 1

About what % of increase in non-payment are you seeing due to COVID-19 (since March 2020)?



### SHUTOFFS

Shutoffs have traditionally been an important tool in getting customers to pay their bills



#### Suspended Water Shutoffs Nationally

- No <u>federal</u> moratorium on shutoffs
- But, as of 06/17/2020, at least 16 states (+ DC and Puerto Rico) have had statewide moratoria

	MI, CA, NC, OH, WI, ME, NH, IN <i>, DE,</i> WA <i>, MD,</i> KY, NY, DC, PR
Expired Moratoria	KS, MS, MT



Source: <u>https://www.nrdc.org/experts/larry-levine/governors-safe-clean-</u> water-essential-covid-<u>1</u>9-crisis

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### Activity – Raise your Hand if ...

- A. Your utility is under a STATEWIDE moratorium on shutoffs
- B. Your utility VOLUNTARILY suspended shutoffs
- C. You utility is actively shutting off customers right now



### **Implications of Statewide Orders**

- Utility has less control in "moratorium" state
- But, all utilities in a given "moratorium" state have the same guidelines
- Without statewide order when does a utility start disconnections again?
  - No utility wants to be the first



# Recommendations in the Absence of Statewide Orders

- Utilities in the state can band together on when shutoffs begin again
  - Focus virtual sessions on viable options for the specific state
- Good (written) communication with customers:
  - Reconnection options for pre-COVID-19 shutoffs
  - Late fee waivers policy
  - Interest charges policy
  - Reconnection fee waivers policy
  - Flushing lines on reconnection
  - Assistance program options



### IDENTIFYING THE NEEDY

Focusing on customers who really NEED help



#### POLL 2

How concerned are you that "bad actors" who CAN afford to pay their bills are taking advantage of the COVID-19 situation to not pay?



How do utilities deal with those bad actors who choose not to pay?

- First identify them
- Be less lenient:
  - Don't waive late fees etc.



### Identifying those Who CAN'T PAY (I)

- Use 3<sup>rd</sup> party Human Services and Charitable Groups
  - Albany, GA Example:
  - <u>https://salvationarmygeorgia.org/albany/</u>
  - <u>https://give.salvationarmygeorgia.org/give/173021/#!/do</u> <u>nation/checkout</u>
  - Specific "Albany Corps"
  - Maybe add a note that this is for water customer assistance only
  - <u>https://www.unitedwayswga.org/response-covid-19</u>

#### Identifying those Who CAN'T PAY ( | | )

- Use Utility's Customer Service Staff
  - They usually have a sense of customers who REPEATEDLY call for help
- Customer Segmentation and Targeted Messaging

NONPAYMENT REDUCTION PROJECT Uncovering proactive nonpayment management strategies to es recover revenue, increase customer satisfaction and build trust with their communities

\* Residential customers have different reasons for not paying their water bill

With advanced customer data + machine learning, Xylem identifies customers at risk of nonpayment. How do these differ across service areas and what actions can utilities undertake based on the cause?



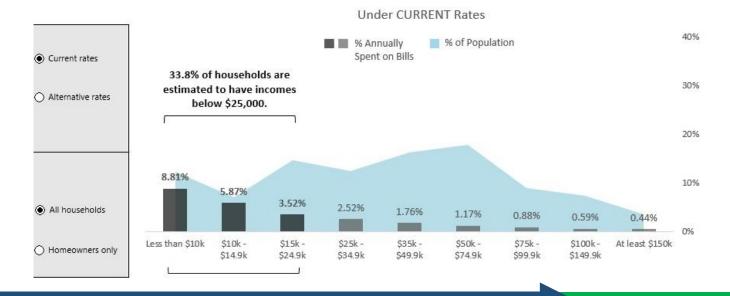


Slide Source: Valor Water Analytics, a Xylem Company

### Identifying those Who CAN'T PAY (III) Can you define this with income levels?

Water And Wastewater Residential Rates Affordability Assessment

- 33.8% of residential customers had less than \$25,000 in annual income
- These households would have spent more than 3.52% of their income on water & wastewater
- 12.2% of households would have spent more than 8.81% of their income



Tool Source: <u>https://efc.sog.unc.</u> <u>edu/resource/wate</u> <u>r-and-wastewater-</u> <u>residential-rates-</u> <u>affordability-</u> assessment-tool

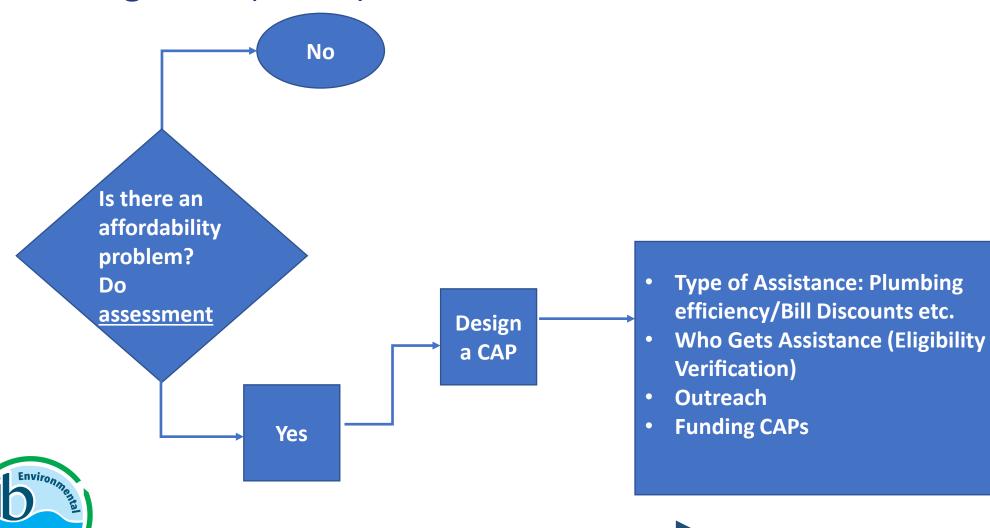
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## CUSTOMER ASSISTANCE PROGRAMS

for those who really need it



#### Process to Design a Customer Assistance Program (CAP)



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### **RESTRICTED FLOW**

Lowering bills





#### Restrictor Plates – Synonyms

- Phoenix Restrictor Plates
- South Africa Aerator Inserts
- South Africa Water Management Devices
- Flow Limiter
- Water flow restrictors
- Throttle (valve)



# Cape Town: What is a Water Management Device (WMD)?

- An electronic device installed with your water meter
- A programmable device to provide a daily allocation based on affordability
- Enables households to monitor their available water *allocation*
- A tamperproof device which shuts off when vandalized
- Able to detect water leaks







CITY OF CAPE TOWN ISIXEKO SASEKAPA STAD KAAPSTAD

#### **Phoenix:**

#### Minimal Water Delivery (Restrictor Plate / Throttle Valve)

- Instead of turning off customers for non-payment, staff could install a restrictor plate or throttle valve at the water meter, which would provide minimal water to the customer; enough for cooking and drinking.
- ≻ Pro's
  - Plate/valve would be installed on at the meter in-lieu of turning off the water service for non-payment
  - > We would no longer turn-off any customer for non-payment
  - > Would eliminate hot weather (extreme weather days) no turn-off exceptions
  - > Restrictor plate can be designed to provide the desired water supply (1/8 1/16 gal)



#### POLL 3

# Do you <u>think</u> that the restrictor plates are feasible for your water utility?





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## PRACTICAL TIPS ON LOWERING OPERATING COSTS - VEHICLES

#### **Borrowing Vehicles**

- Some local gov't departments have less activity during COVID-19
- Water staff may borrow those department vehicles to achieve physical distance – 1 operator per car
- If your utility is doing something like this, please raise your hand
- If you have other good practices related to vehicles, add to the Q & A box



#### **Operators Taking Vehicles Homes**

- Some smaller utilities are letting operators take utility vehicles home
  - Start workday from their house = more efficient than going to office first
  - Operators given their tasks the day before
- No or fewer overtime hours (cost savings)



### Outline (revisit)

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Practical tips on lowering operating costs





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### Questions

Reminder to share experiences in the Q & A box too