



**American Water Works  
Association**

*Dedicated to the World's Most Important Resource®*

# **COVID-19 UTILITY AND WATER SECTOR ORGANIZATION IMPACT SURVEY (MARCH 25-30, 2020)**

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# AWWA SURVEY OF COVID-19 IMPACTS ON WATER SECTOR

**Overview:** AWWA surveyed member utilities and other sector organizations to gauge the impacts of COVID-19 and actions being taken to manage risk and plan for contingencies. The survey was conducted online. Each question provided an option of “unable to answer” in order to ensure results are as accurate as possible. All “unable to answer” responses have been removed from analysis. The results represent a snapshot of time of the survey period below.

**Survey Period:** March 25 -30, 2020.

## Response Summary:

Total Responses:	615
Utility Responses:	534
Unique Utilities:	532
Non-Utility Responses*:	81

Margin of Error: +/- 4% - Utilities

Confidence Level: 95%

Percentages may add up to more than 100% due to rounding

\*Non-Utility includes consultants and manufacturer & related

**Key Takeaways** - Utilities are responding quickly to the COVID-19 crisis to ensure essential operations and business continuity:

- 97% of utilities surveyed have plans to continue essential field and plant operations
- 95% have implemented or are assessing options for staff shift change policies to incorporate social distancing
- Over half the systems surveyed anticipate workforce absenteeism will impact operations within the next months
- Nearly 64% indicated they expect revenue/cash flow challenges within the next 2 months
- More than 90% have suspended water shut-offs and nearly 2/3rd suspended late payment fees
- Utilities are communicating to the public that drinking water is safe and what can be flushed down toilets
- Some utilities indicated that lack of access to sampling sites will impact ability to meet regulatory requirements
- About 80% of service providers are anticipating revenue generation/cash flow challenges in the coming months

# EXECUTIVE SUMMARY

Utilities are responding quickly to the COVID-19 pandemic in order to ensure that essential operations will continue with no disruptions to water service and they are stepping up to help customers affected by the economic fallout.

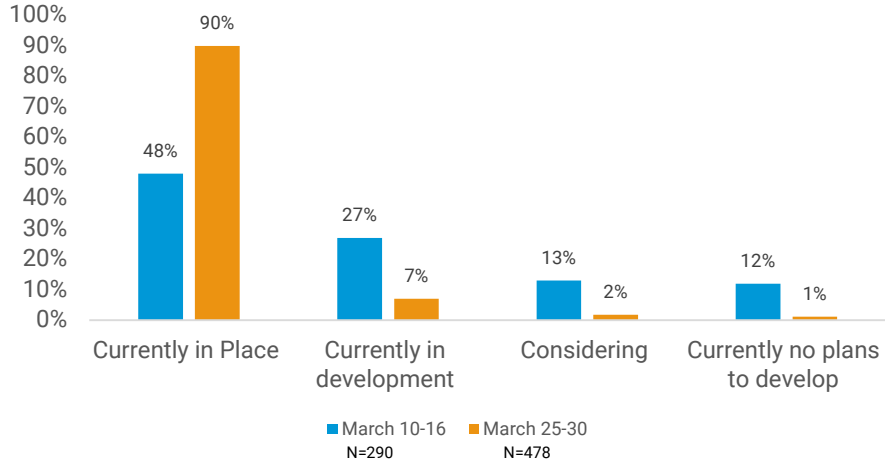
Ninety seven percent (97%) of utilities surveyed have plans to continue essential field and plant operations. Steps being taken include: moving employees out of shift rotation to serve as reserve, identifying and training additional staff, as needed, to help operate plants if needed, collaborating with nearby utilities to request/supply staff to assist, and some utilities have plans for essential workers to live on-site if the need arises. Ninety five percent (95%) have implemented or are accessing options to incorporate social distancing of their workforce such staff shift changes and work from home policies where relevant. Utilities are also committed to assisting their customers affected by the economic fallout of the COVID-19 pandemic. Over 90% have suspended water shut-offs and about 2/3<sup>rd</sup> have already waived late fees. Additionally, some utilities are providing payment plan options, waiving other fees like service fees and a few are going as far to consider rate reductions or even forgiving payment for one billing cycle.

With that, the COVID-19 pandemic is still not without some big challenges. First, about 65% of utilities are expecting financial implications in the coming months, and about 10% are already seeing some revenue reductions. This changed rapidly from AWWA's March 10-16 survey when only 14% were anticipating financial implications. Just over half of surveyed utilities are expecting absenteeism to present challenges to continuity of operations, but as outlined above, utilities have worked hard to develop contingency plans if high levels of absenteeism materializes. Utilities are also seeing disruptions in supply chains for Personal Protective Equipment (PPE). 59% of utilities are either currently experiencing disruption or anticipate it within the next month. In the earlier survey, only 33% said they were anticipating PPE supply issues, highlighting how rapidly the environment is changing. Supply chains for treatment chemicals do not currently appear to be an issue for most utilities with 70% of those surveyed say they are not anticipating and only 2% say they are currently experiencing issues and 28% are anticipating it. Finally, some utilities indicated the worry that the lack of access to sampling sites could present some issues with regulatory compliance.

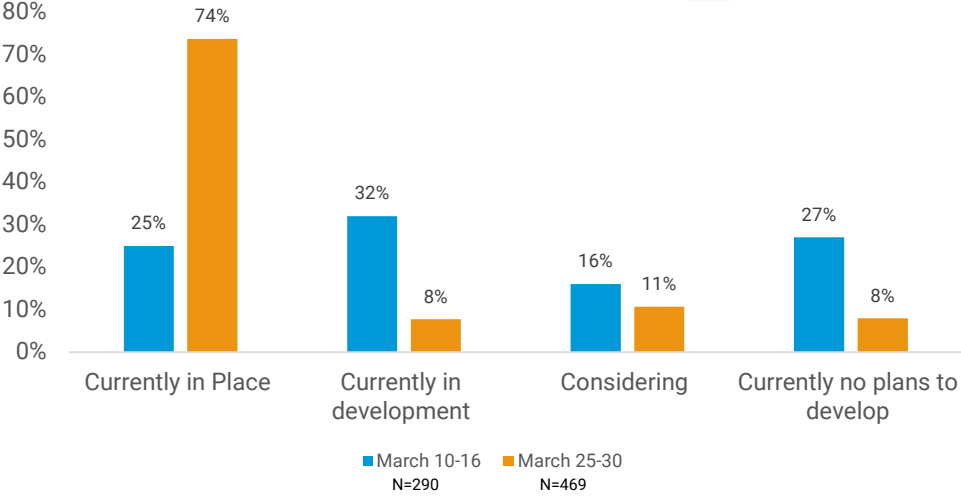
For the service providers who provide critical support to the water sector, 80% of those surveyed say they are already or anticipating seeing revenue or cash flow issues, up from about 50% in the first survey. But, like utilities they are prepared, with over 90% saying they have or are currently developing Business Continuity Plans and almost all who carry out field service operations, like equipment maintenance, have developed plans to ensure they continue their essential support services. Finally, over 80% say they are adjusting staffing protocols to match the new economic reality.

# Utilities are responding quickly to the COVID-19 crisis to ensure essential operations

**Plans to continue essential operations for field and/or plant employees who can't work from home**



**Work from home policy for non-field employees**

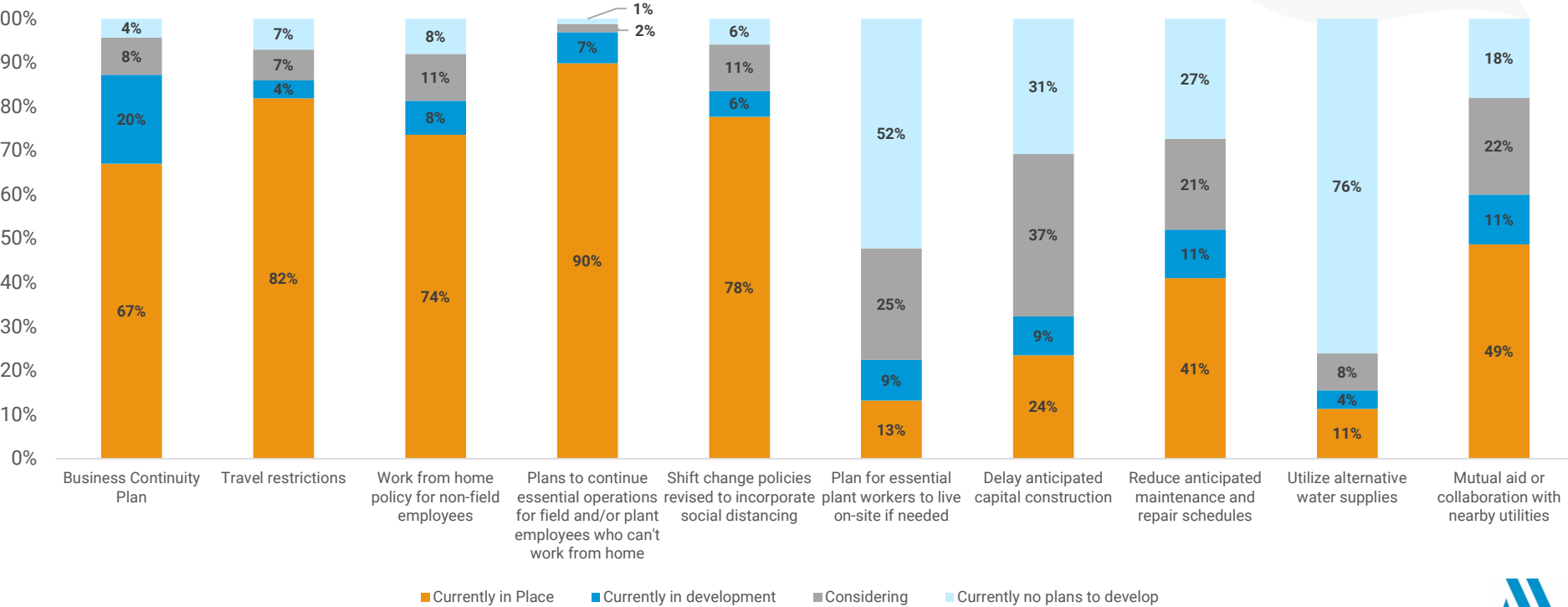


Q2 - Please indicate which of the below your organization has in place or is developing to manage risk/plan for contingencies due to COVID-19 (March 10-16 Survey) – Margin of error +/-6% in this survey  
 Q4a: Please indicate which of the below your organization has in place or is developing to manage risk/plan for contingencies due to COVID-19 (March 25-30 Survey)



# Virtually all utilities have plans to continue essential field and plant operations for employees that can't work from home and almost 90% have a Business Continuity Plan in place or being developed

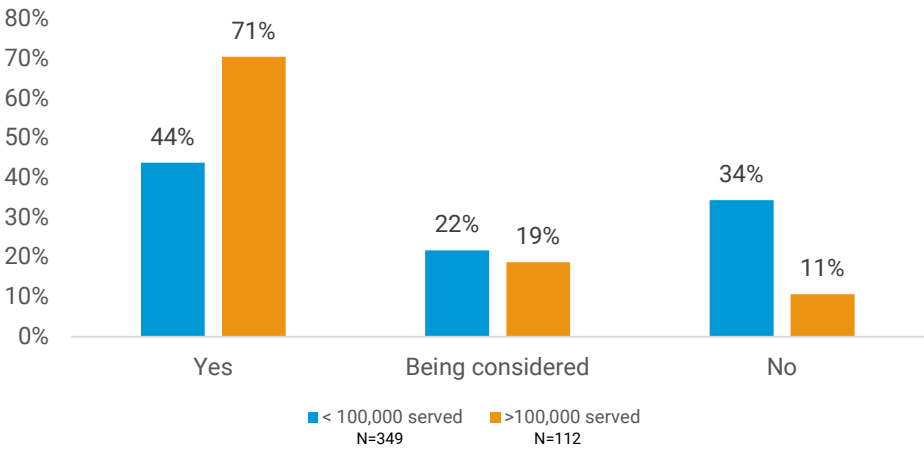
**Actions Taken to Manage Risk and Plan for Contingencies** N=334 to 480



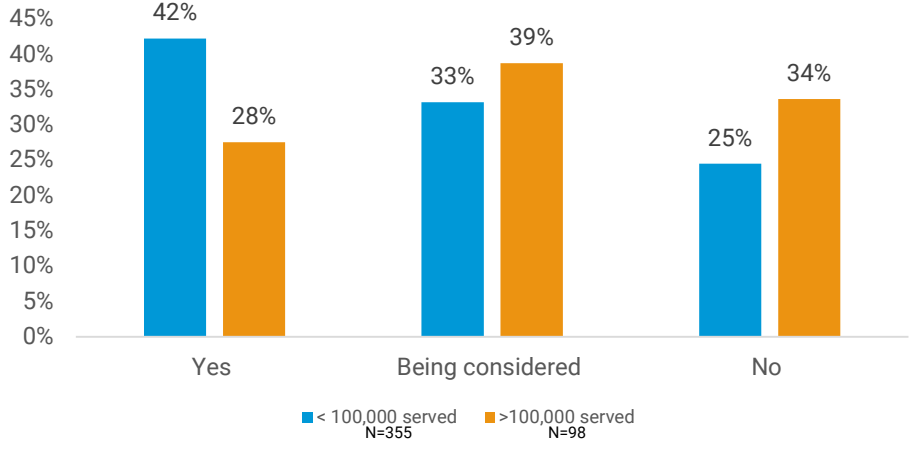
Q4a: Please indicate which of the below your organization has in place or is developing to manage risk/plan for contingencies due to COVID-19:

# Larger utilities more likely to be identifying internal staff to help operate plants, while small to medium utilities more likely to be collaborating with other nearby utilities to request or supply staff to ensure essential operations continue

Identifying staff who have applicable experience from previous jobs who could be called upon to help operate plants



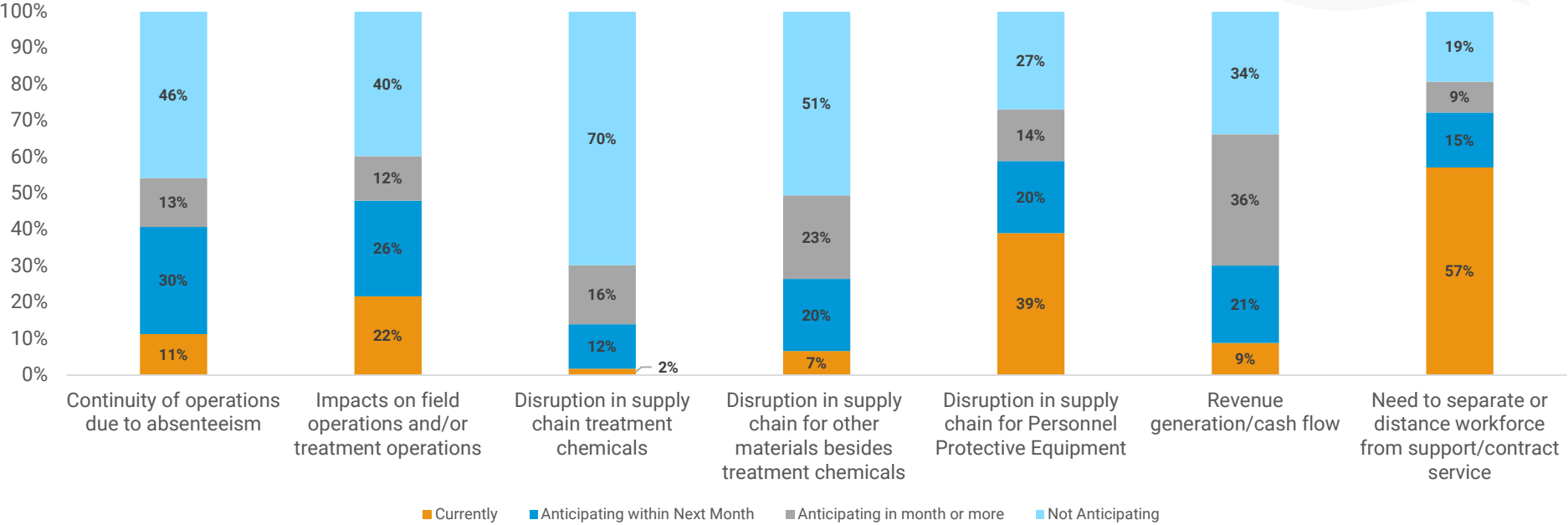
Collaborating and providing mutual aid to request/supply operators and support staff from other nearby utilities who have available personnel to assist



# The two most pressing challenges for utilities are social distancing of workforce and supply chain issues for PPE

## Current and Anticipated Challenges

N=469 to 541



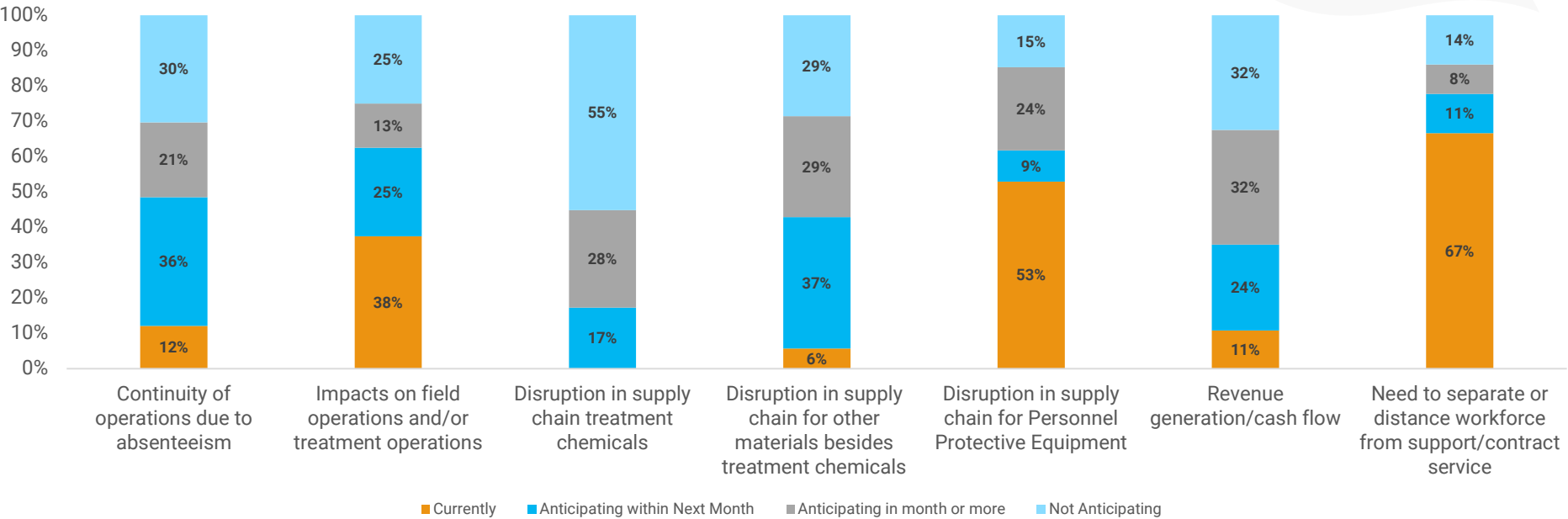
Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?



# Canadian utilities surveyed are facing many of the same current and anticipated challenges as U.S. utilities

Canada - Current and Anticipated Challenges

N=29 to 37

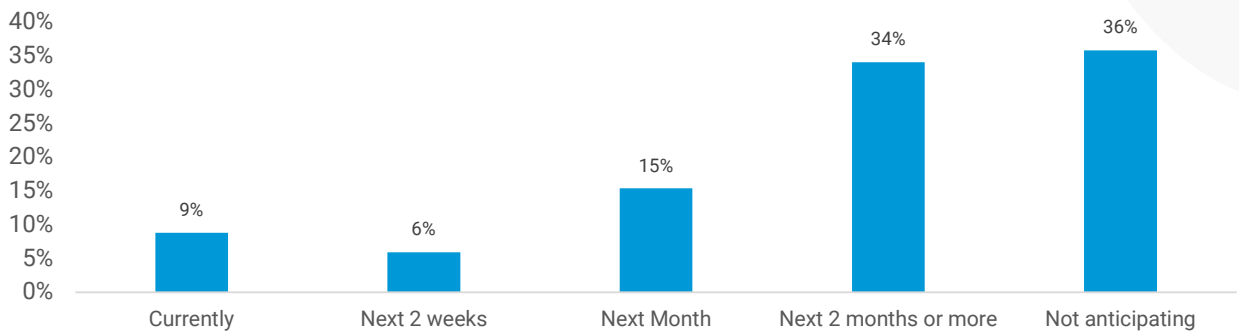


Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?

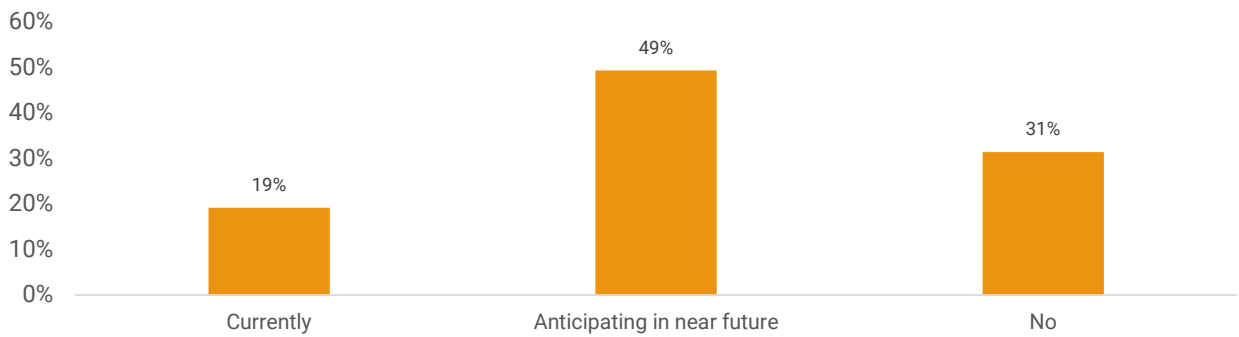


# Close to 2/3<sup>rd</sup> of utilities surveyed are expecting to see financial implications of the COVID-19 pandemic in the coming months

Current and Anticipated Revenue/Cash Flow Challenges N=498



Current and Anticipated Budgetary, Revenue, or Spending Restrictions N=504

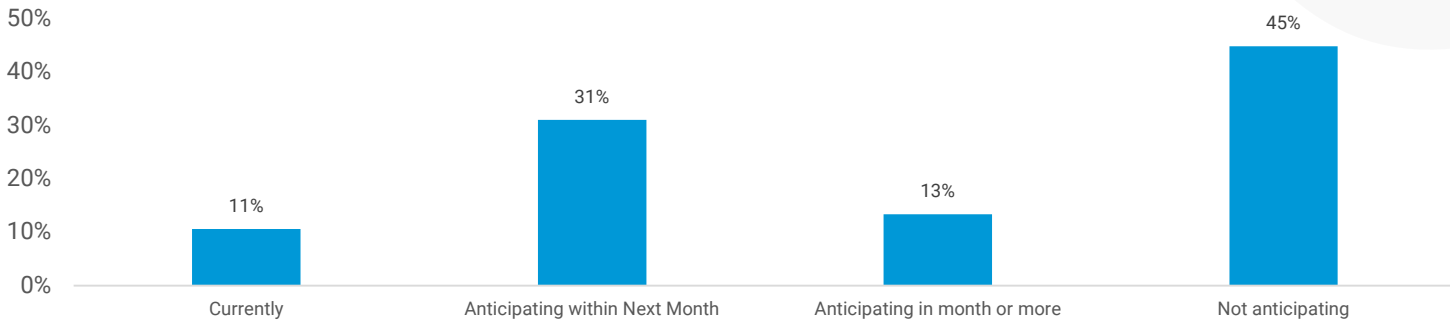


Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?: Revenue generation/cash flow  
Q11: Is COVID-19 currently or potentially presenting any budgetary, revenue, or spending reductions?

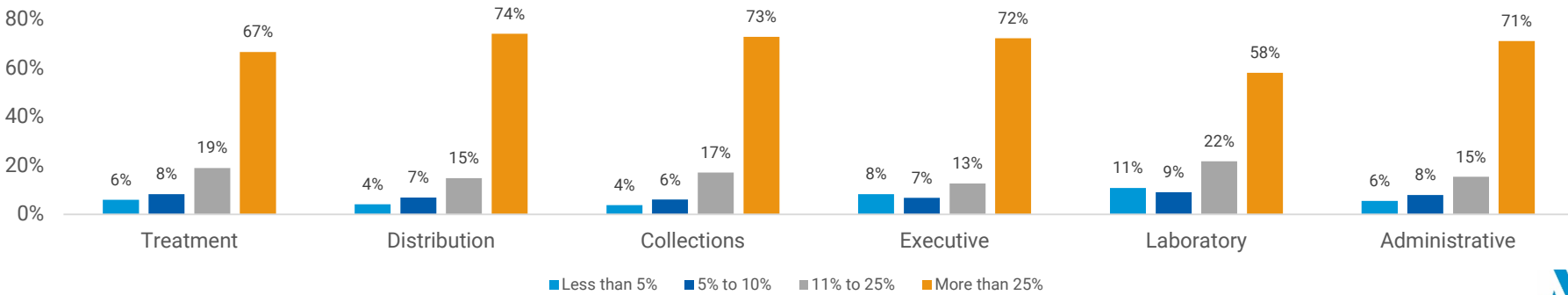


# Over half the systems surveyed anticipate workforce absenteeism will impact operations within the next months; most will be able to maintain essential functions with absenteeism levels under 25%

Continuity of Operations Due to Absenteeism N=515



Levels of Absenteeism That Would Threaten Essential Functions N=174 to 215

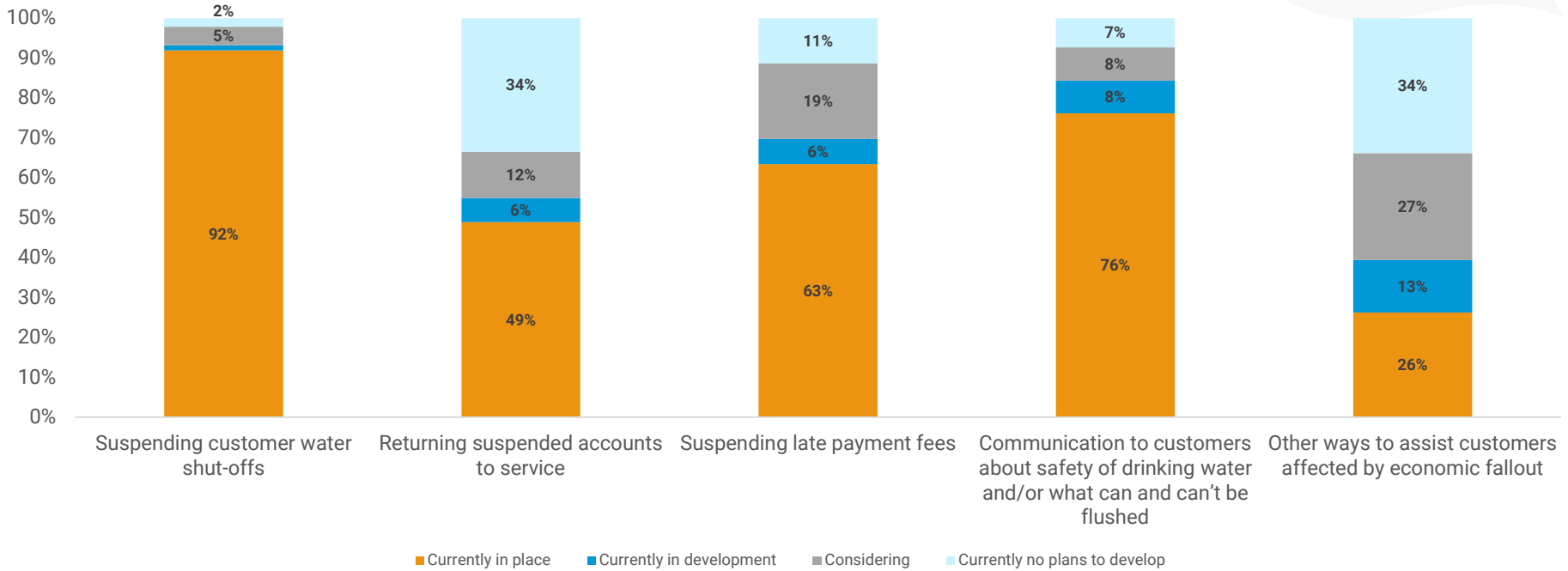


Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?: Continuity of operations due to absenteeism  
 Q5: What level of absenteeism would challenge your utility's ability to maintain essential functions?



# Utilities are taking steps to help their customers: More than 90% have suspended water shut-offs and nearly 2/3<sup>rd</sup> suspended late payment fees and are communicating to the public that drinking water is safe and what can be flushed down toilets

Steps Utilities are Taking to Assist Customers N=358 to 466



Q4b: What steps are you taking to assist customers in the current COVID-19 response?

# Some utilities are taking other steps to assist their customers in the economic fallout of the COVID-19 Pandemic

**Other Steps Being Taken or Considered to Assist Customers affected by the economic fallout  
(listed in order of frequency – bolded by far most common)**

**Payment plans**

**Waiving fees (service, late, interest)**

**Referrals to internal or outside groups customer bill assistance programs**

Deferred payments

Rate reductions

Forgiveness of bill for billing cycle (some with dollar amount limit)

Bill credits to low income

Suspending base rate charges

Discounted bill if paid on time

Working with customers case to case

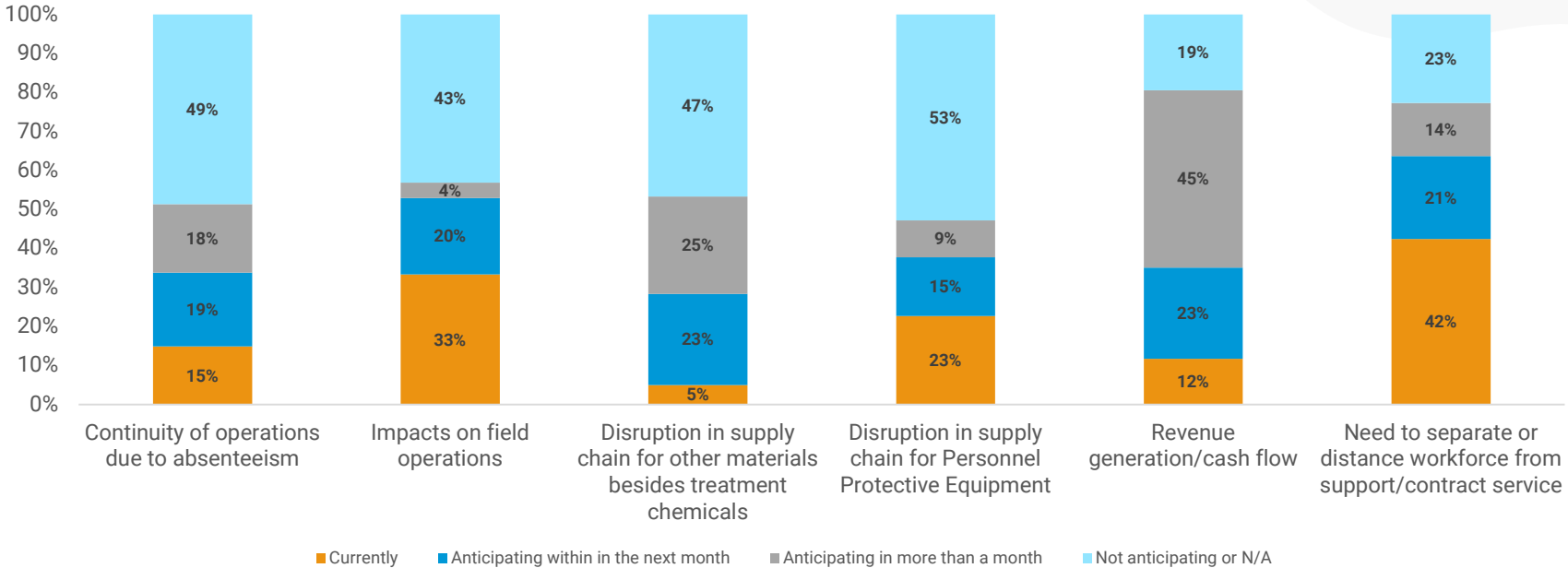
Deferring sending past-due accounts to collections

# Among other concerns, some utilities express worry that inability to access to sampling sites and labs could affect regulatory compliance

- **Access to sampling sites (major issue)**
- Sending samples to labs
- Labs focused on COVID-19 testing delay processing of samples
- Potential of labs closing due to stay-in-place orders
- Being able to hold public board meetings
- Options for operators to get credits of license renewal
- Potential limited number of certified operators to meet required staffing rules
- Difficulty collaborating with local, state, and/or federal agency personnel
- Having system issues to comply with new Families First Coronavirus Response Act
- Plan approval for new construction for plant improvements and/or possible delays to scheduled new plant openings due to supply concerns
- Confusion with new city, country, and state orders
- Travel restrictions could impact ability to support clients on-site
- Lead line replacement suspended
- Compliance monitoring requires full staff, which is affected by need to practice social distancing of workforce
- Access to backflow and/or cross-connection testing sites
- Potential of mandated repairs delayed

# About 80% of service providers are anticipating revenue generation/cash flow challenges in the coming months

Service Providers – Current and Anticipated Challenges N=32 to 77



Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?