



**American Water Works  
Association**

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

# **COVID-19 UTILITY AND WATER SECTOR ORGANIZATION IMPACT SURVEY (JUNE 8-15, 2020)**

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# AWWA SURVEY OF COVID-19 IMPACTS ON WATER SECTOR

**Overview:** AWWA surveyed member utilities in the and other sector organizations in the U.S. and Canada 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:** June 8-15, 2020

## **Response Summary:**

Total Responses: 464

Utility Responses: 425

Unique Utilities: 421

Non-Utility Responses\*: 39

Margin of Error: +/- 4.33% - Utilities

Confidence Level: 95%

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

\*Non-Utility includes consultants and manufacturer & related and sample size not statistically significant

## **Key Takeaways:**

- A majority of utilities and service providers have already or will re-open their offices by the end of June
- Some utilities are relaxing policies put in place to mitigate COVID-19 risk (travel restrictions, work from home policies, and social distancing) as well as slight decrease in utilities suspending water shut-offs
- Utilities reporting revenue or other financial impacts has increased since late April, while many other challenges appear to be decreasing
- 70% of utilities have already implemented spending adjustments or considering it – 20% of those facing or anticipating revenue issues say it’s likely it could affect their current level of service
- Reported disruption in PPE supply chains decrease, but still about a third of utilities are still facing issues
- Almost two-thirds of utilities did not have a specific pandemic plan in place, but most are planning on updating, creating new plan, or are considering options
- About 60% of utilities have or are considering making permanent changes to their work from home policies for employees whose job function would allow it.
- Nearly have of surveyed service providers report revenue issues and about two-thirds have implemented spending adjustments

# EXECUTIVE SUMMARY

A survey conducted by the American Water Works Association from June 8-15, 2020 of its member organizations shows that while many challenges remain, water sector organizations are beginning to “return to normal” with many offices re-opening and some are beginning to relax the policies put into place during the height of the pandemic.

The most common challenges reported by utilities surveyed are practicing social distancing at offices/facilities, supply chain disruptions for PPE (Personal Protective Equipment), and revenue generation. Just over a third (36%) of utilities report supply chain disruptions for PPE and over a quarter (28%) of these utilities are completely out of N95 Masks. However, this does represent a drop from AWWA’s last survey over April 17-22, 2020 when 56% of surveyed utilities reported disruptions in PPE supply chain. Conversely, while PPE issues appear to be easing somewhat, the portion of utilities reporting current issues with revenue generation increased from 23% in late April to 32% in June. Additionally, 24% say they are expecting to see revenue issues in the next month. As a result, 46% of utilities have already implemented spending adjustments and another 24% say they are considering it. While most utilities facing current or expected revenue issues say it’s unlikely to affect current level of service, 24% say it is likely.

As state and local governments relax stay-at-home orders many utilities are re-opening their offices, and some are starting to relax policies to mitigate risk and spread of COVID-19. Utilities reporting policies to incorporate social distancing, work from home for employees who can, and travel restrictions dropped by about 30% between the surveys in late April and June. There was also a 11%-point drop in utilities reporting that they suspended water shut-offs between surveys, but still a large majority of utilities have this policy in place (96% in April, 85% in June). Seventy-five percent (75%) of surveyed utilities say their offices are open (including 21% who never closed their office). These utilities are taking actions to prevent the spread of COVID-19 as they re-open including implementing enhanced sanitizing procedures (91%), reducing size of in-person meetings (76%), and require face coverings (67%).

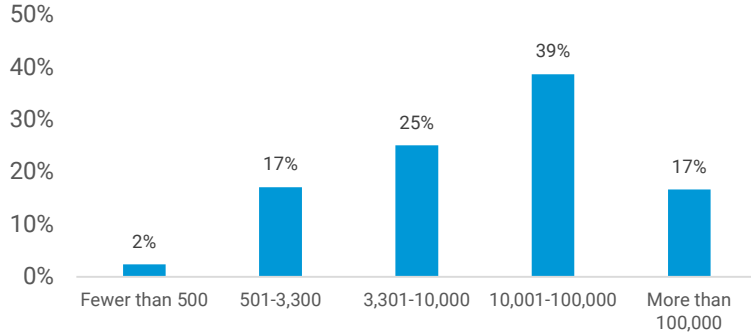
Sixty-one percent (61%) of utilities indicated they did not have a specific pandemic plan in place either as a standalone plan or part of a broader plan. But 31% say they will create a new plan and 25% are still considering their options. Only 11% say there are not actions at this time to develop a specific pandemic plan. Furthermore, 75% said they have been documenting lessons learned for an after-action report. Collaboration with nearby utilities and/or local health departments was also common as utilities responded to the pandemic with only 17% indicating they didn’t collaborate with other agencies.

For the service providers who support the water sector, revenue generation issues have been realized by 46% of surveyed organizations and about two-thirds indicate they have implemented spending adjustments. Like utilities, most have will have re-opened their offices by the end of June (70%); however, service providers are more likely than utilities to keep policies like work from home and travel restrictions in place. Service providers have also put policies to help protect their employees from COVID-19 in with almost all surveyed service providers reporting enhanced disinfection and sanitizing procedures (94%) and about three quarters (75%) have flexible work from home policies.

# SNAPSHOT OF ORGANIZATIONS WHO RESPONDED TO THE SURVEY

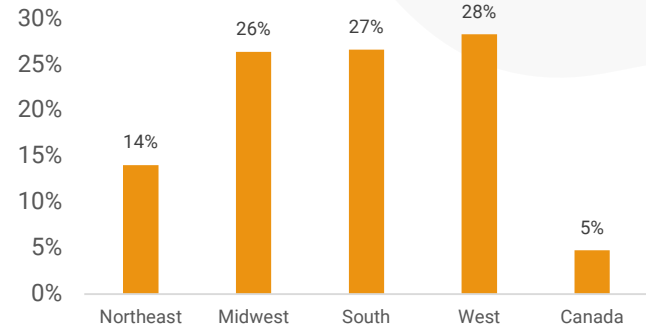
## Utility Size – Population Served

N=426



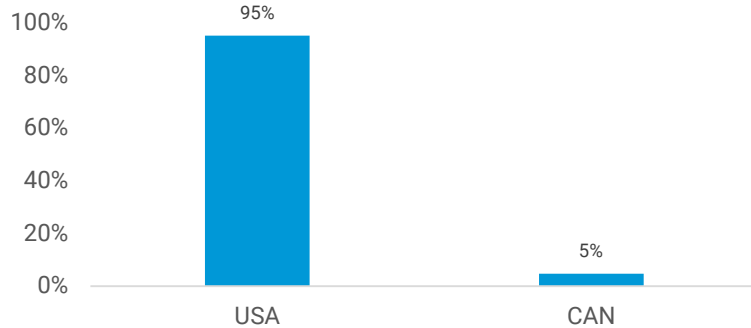
## Utility Responses by Region

N=421



## Country

N=463



## Service Provide Type

N=39



■ Consultant ■ Product manufacturer/representative/distributor/wholesaler, etc.



# UTILITY CHALLENGES

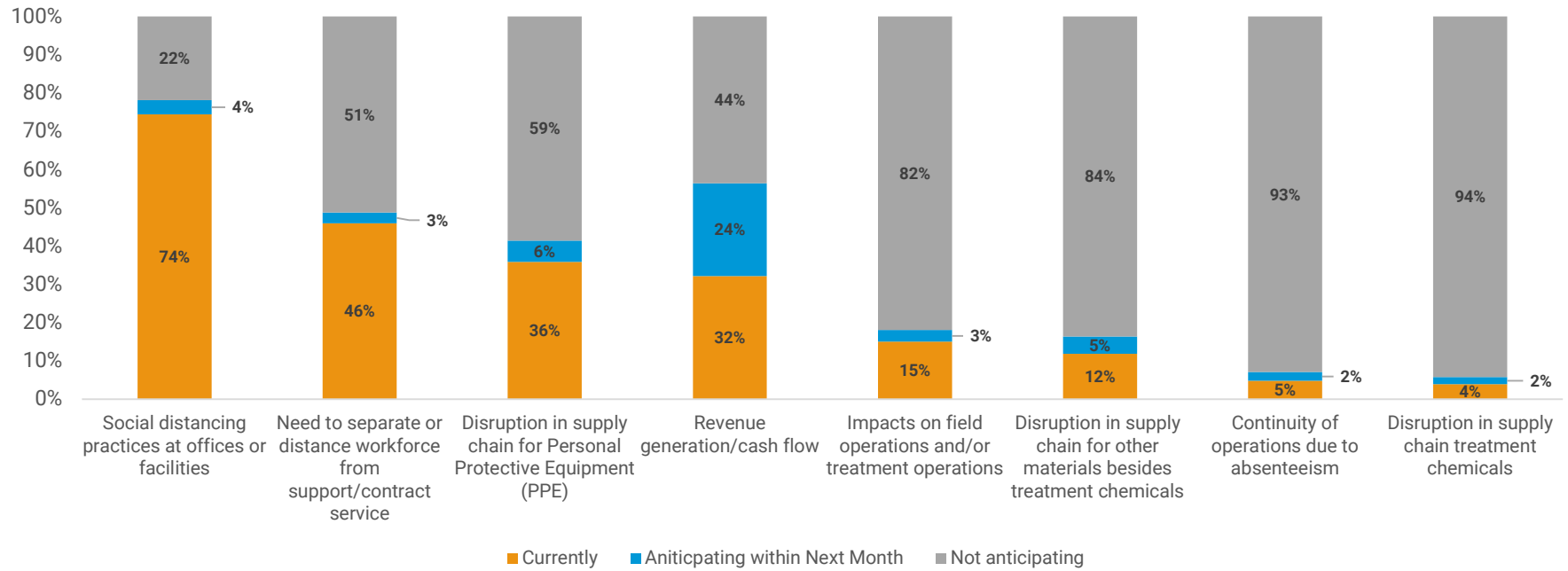
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# Social Distancing and Separating Workforce are the Most Common Challenges Currently Faced by Utilities Surveyed, but Revenue Generation Remains a Concern for Many

Nearly three quarters of utilities say they are currently facing challenges to practice social distancing at offices or facilities and 46% continue to try to separate workforce from support or contract service. However, nearly a third of utilities are facing revenue generation issues and another 24% are anticipating it in the next month.

**Current and Anticipated Challenges**  
N=398 to 423



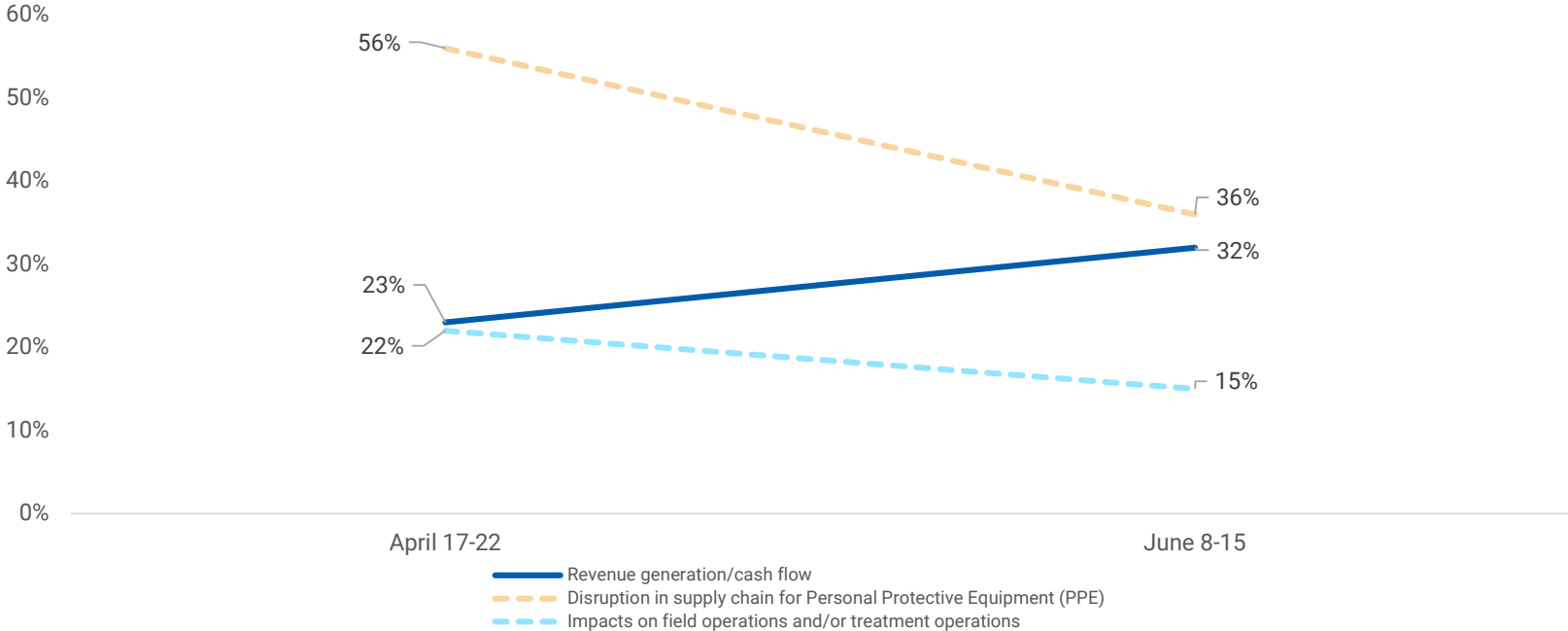
Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?



# As Other Challenges Ease, Utilities Facing Revenue Generation Challenges Increases

In the time since AWWA's last COVID-19 Impact Survey in late April, utilities reporting PPE supply chain disruptions has dropped 20% points and impacts on field/treatment operations fell by 7% points. Conversely, those facing challenges with revenue generation are up 9% points, representing a nearly 40% increase in less than two months.

Change in Utilities Currently Experiencing Challenges Between Survey Periods

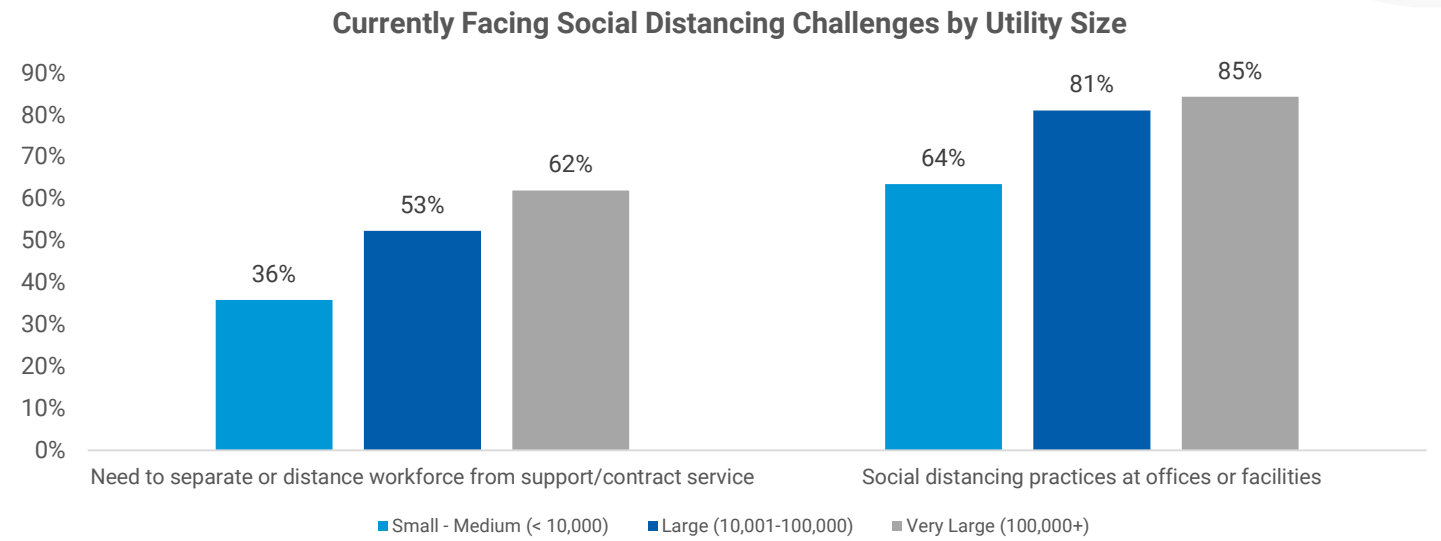


Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?



# Larger utilities (10,001+) Report More Social Distancing Challenges

Social distancing challenges are more common the larger the utility. For the very large utilities surveyed, 62% and 85% indicated the need to separate workforce and practicing social distancing at office or facilities compared to 36% and 64%, respectively for small-medium utilities, with large utilities in the middle.



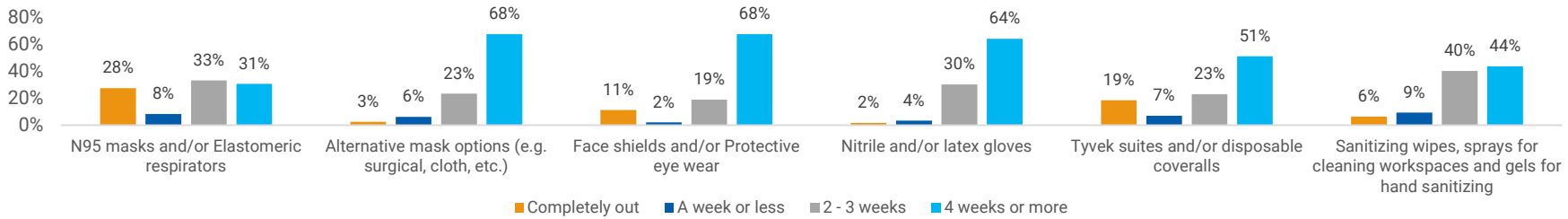


# PPE Inventory and Supply Chains Beginning to Stabilize, but Shortages still Exist

28% of utilities facing PPE supply chain issues say they are completely out of N95 masks (down 6% from the survey in April), but the 31% who say they have 4 weeks or more of N95 masks is up 14% points since April. Availability of N95 masks are up 12% points and sanitizing products are up 20% points from the survey in April survey, but still more than 70% of utilities facing supply chain issues are having difficulty restocking N95 masks and nearly 50% can't restock sanitizing products.

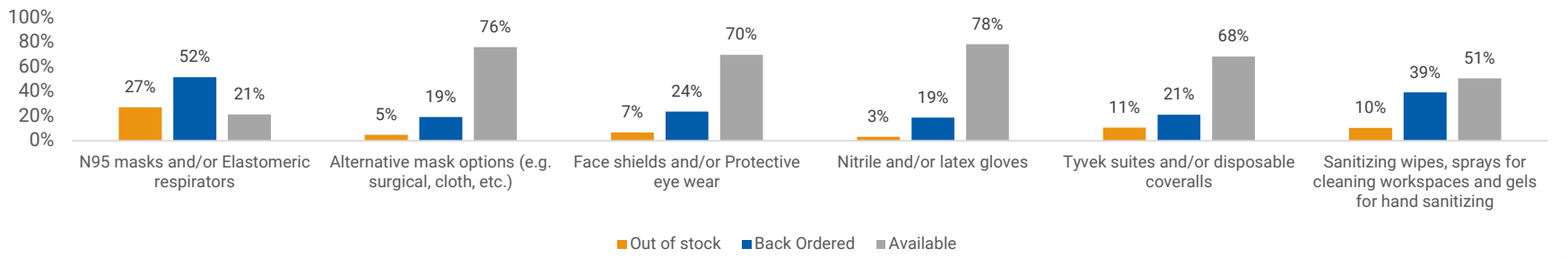
## Current PPE Inventory for Utilities Facing Supply Chain Issues

N=151



## Ability to Restock PPE

N=151



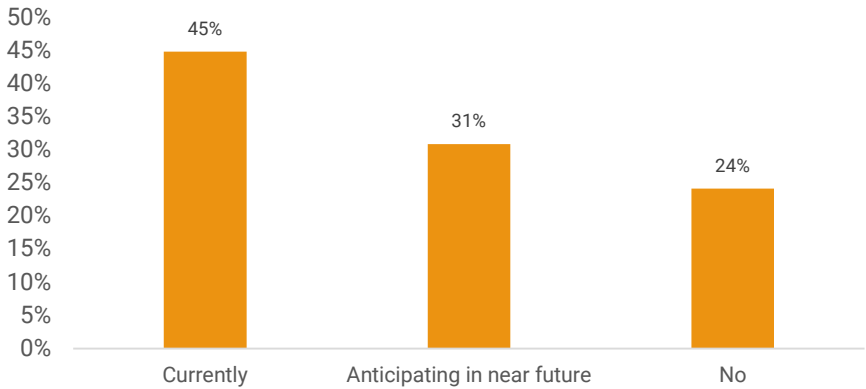
Q8. Approximately, how long will your current inventory of Personal Protective Equipment (PPE) last?  
 Q9. What is your current ability to restock Personal Protective Equipment (PPE) as needed?

# Utilities Reporting Current Financial Impacts Due to COVID-19 Increasing

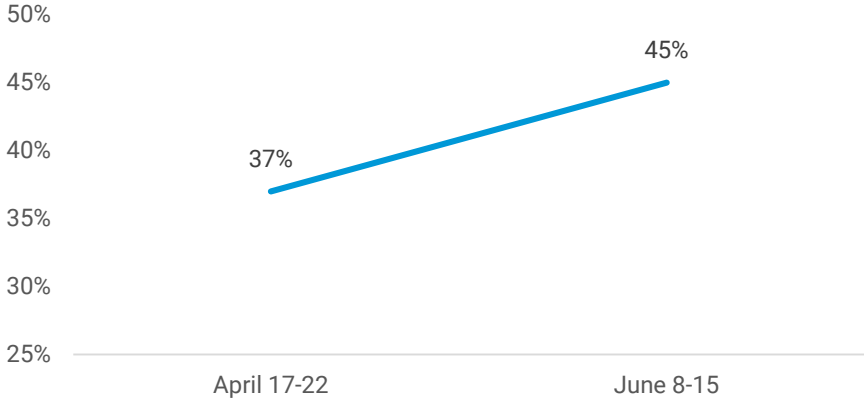
45% of surveyed utilities indicate they are currently facing financial impacts with another 31% say they are expecting to see impacts soon. Together that is 76% of utilities currently or anticipating financial impacts. The 45% currently seeing financial impact is up 8% points from the survey in late April.

**Broader Financial Impact – revenue, budget, or spending reductions**

N=401



**Change in Utilities Currently Reporting Financial Impacts**



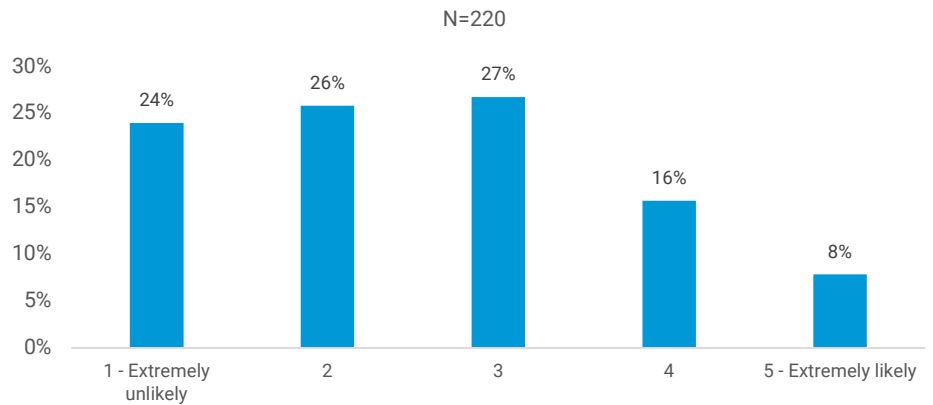
Q23: Is COVID-19 currently or potentially presenting any financial impacts (e.g. budgetary, revenue, or spending reductions)?

# Revenue Loss Could Impact Level of Service for Some Utilities; Small-Medium Utilities Less

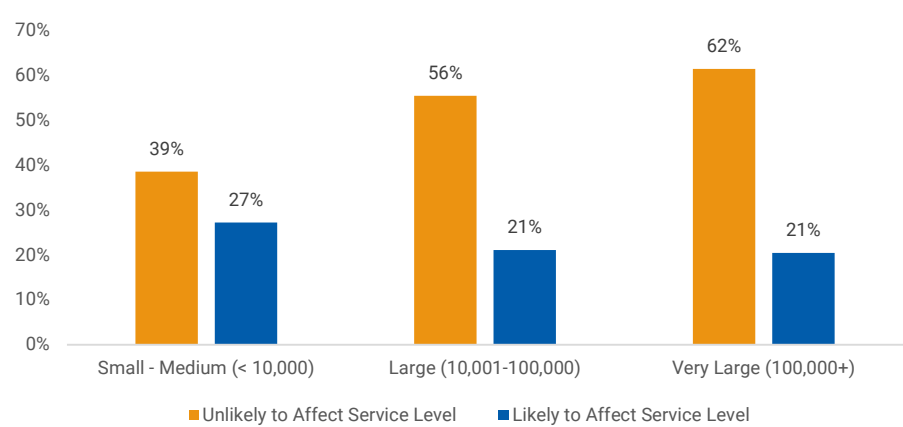
## Confident

For utilities indicating they are currently experiencing or are anticipating issues with revenue generation (slide 6 - 56% of utilities surveyed), half say it's unlikely to affect their ability to maintain current level of service. However, 24% indicate it is likely to impact their ability to keep service at current levels. Utilities serving 10,000 or fewer seem less confident that they'll be able to maintain current level of service given revenue issues, with only 39% saying revenue losses are unlikely to affect service levels, compared with 62% of very large utilities saying service impacts are unlikely.

### Likelihood of Revenue Losses Affecting Current Level of Service



### Likelihood of Revenue Losses Affecting Current Level of Service by Size



Q24 - On a scale of one (1) to five (5), with one being extremely unlikely and five being extremely likely, how likely is it that your current or anticipated impacts to revenue will affect your ability to maintain the utility's current level of service?

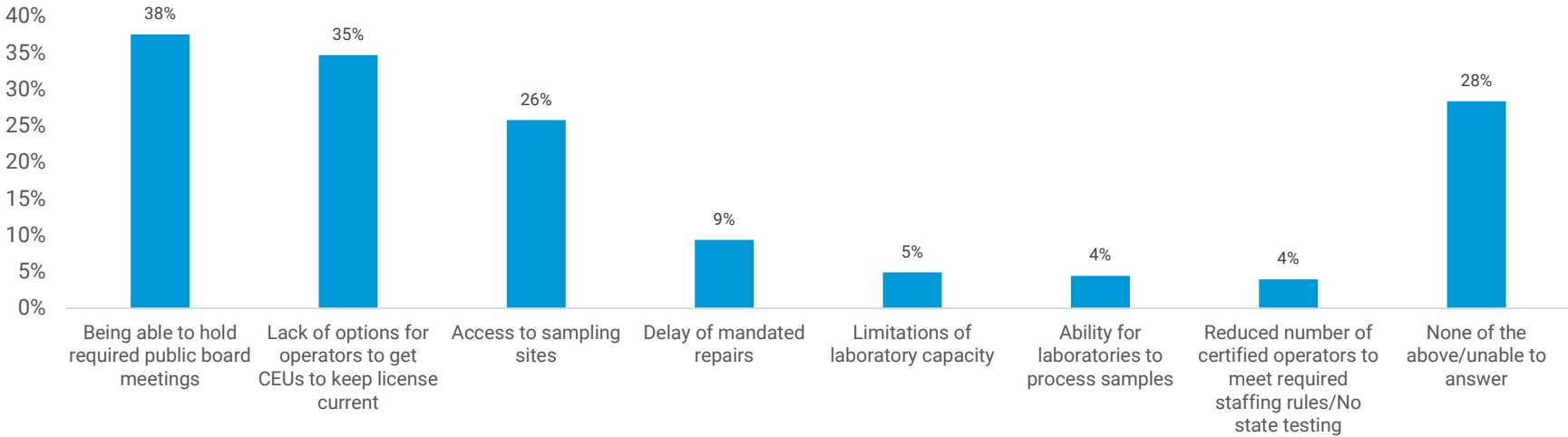


# Holding Public Board Meetings and Options for CEUs More Common Challenges to Regulatory compliance

38% of surveyed utilities indicate that public health restrictions prevents them from holding public board meetings (a few commented they have streamed them online) and 35% say they lack options for operators to get the required CEUs to keep license current.

**Current and Anticipated Challenges to Regulatory Compliance**

N=426



Q9: Which of the following challenges to regulatory compliance is your organization currently experiencing or anticipating in the next month?





# **UTILITY ACTIONS**

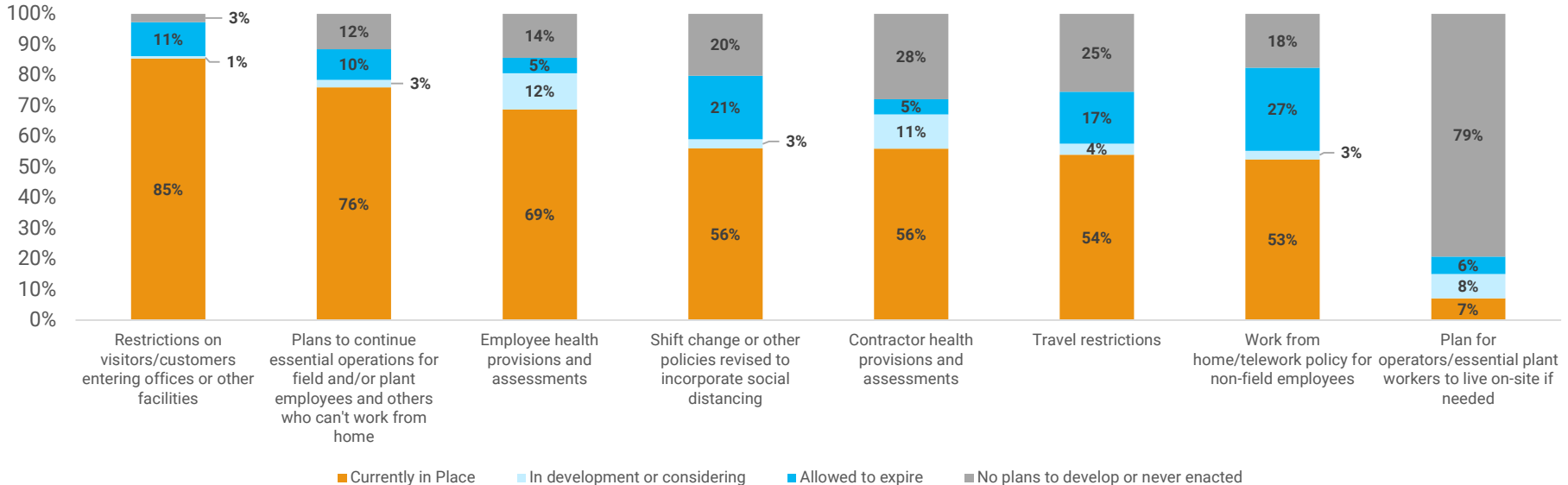
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# Many Utilities Still Have Policies in Place to Manage Risk, but Some are Expiring

A significant portion of Utilities continue to have many risk management policies in place; however, some are beginning to expire. Most notably, 27% say they have allowed their work from home policy to expire, 21% have allowed revised shift change policies to help with social distancing to expire, and 17% of travel restriction policies have been relaxed.

### Actions Taken to Manage Risk and Plan for Contingencies

N=398 to 425

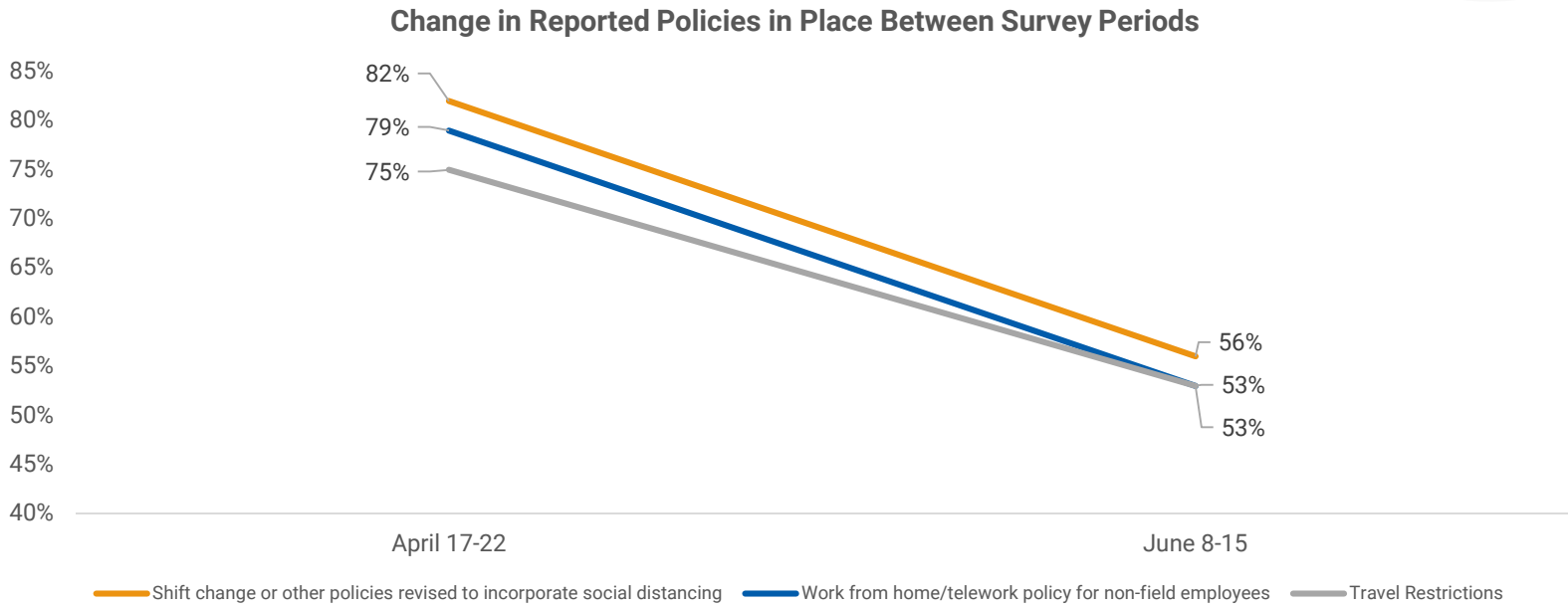


Q4a: Please indicate which of the below your organization has in place or is developing to manage risk/plan for contingencies due to COVID-19:



# Many U.S. Utilities Have Relaxed Policies Put in Place at the Outset of the COVID-19 Pandemic

Since the prior survey period (April 17-22), utilities reporting shift change or other policies to incorporate social distancing, work from home policies, and travel restrictions all dropped by about 30%.



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:

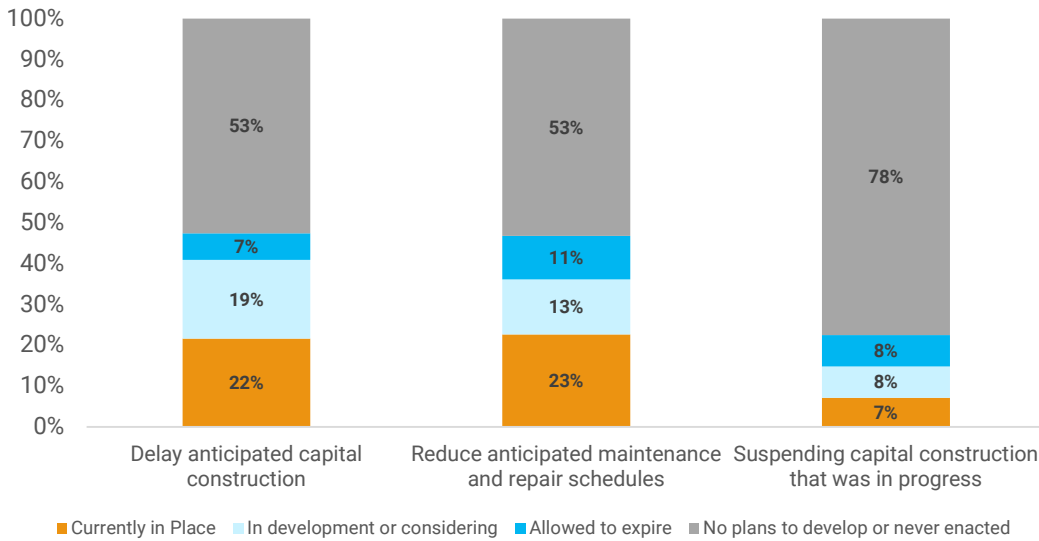


# Almost 25% of Utilities are Still Delaying Construction and Reducing Maintenance or Repair Schedules, a Drop from Earlier Surveys

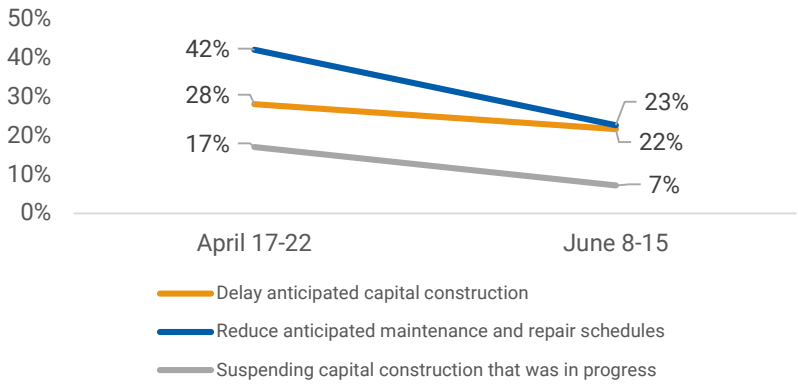
While about a quarter of surveyed utilities indicated they are delaying capital construction and reducing maintenance/repair schedules, there are signs this is easing. Both numbers represent a drop from the last survey period in late April. Utilities reporting reduced maintenance/repair schedules dropped by 19% points (representing a 46% decrease) and those delaying anticipated capital construction dropped by 6% points (23% decrease). It appears that some of the capital construction that was suspended is resuming as well with a 10%-point drop (58% decrease).

## Affects on Repair/Maintenance and Capital Construction

N=404



## Change in Reported Policies in Place Between Survey Periods



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:



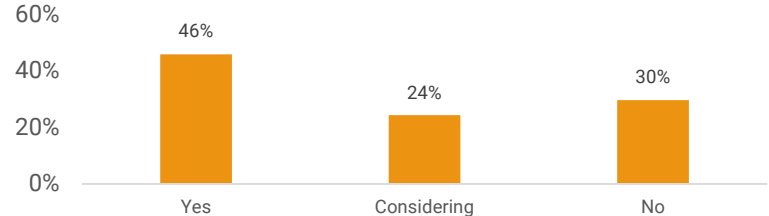


# Almost Half of Surveyed Utilities Report Spending Adjustments Already in Place With Travel, Capital Improvements, and Hiring Freeze Most Common

Together 70% of utilities indicated they have spending adjustments in place or are considering them. More than 3/4<sup>th</sup> of utilities currently making spending adjustments have focused on travel for training and/or conferences with capital improvements, other travel, and hiring freezes all receiving more than 50%.

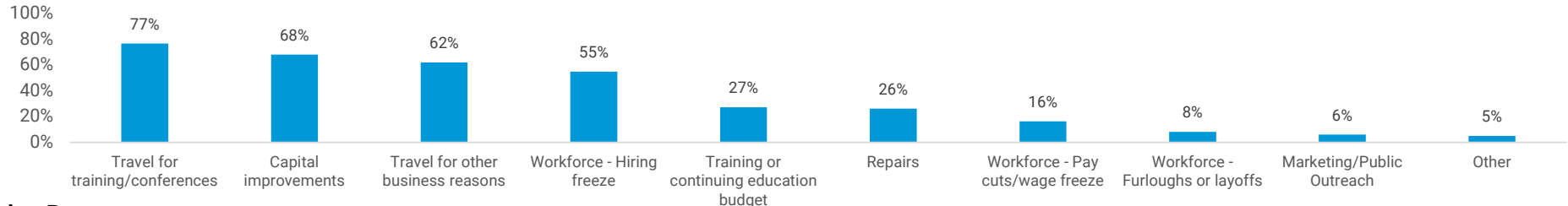
## Status of Spending Adjustments

N=407



## Areas of Current Spending Adjustments

N=184



### Other Responses

- Offered delay in loan repayments; pay freeze is for management only to our customer communities
- Not buying anything we do not need at this time in office supplies, etc.
- No vacation buy-back or salary increases this year
- Hazardous pay for field personnel
- Reduced or delayed contracts
- Did not apply rate changes from budget approved before fiscal year started
- Put off unnecessary purchases until later in the year
- Treatment operations budget cut
- Operational project expenses have been delayed

Q26 - In what areas has your organization made spending adjustments? (Select all that apply)

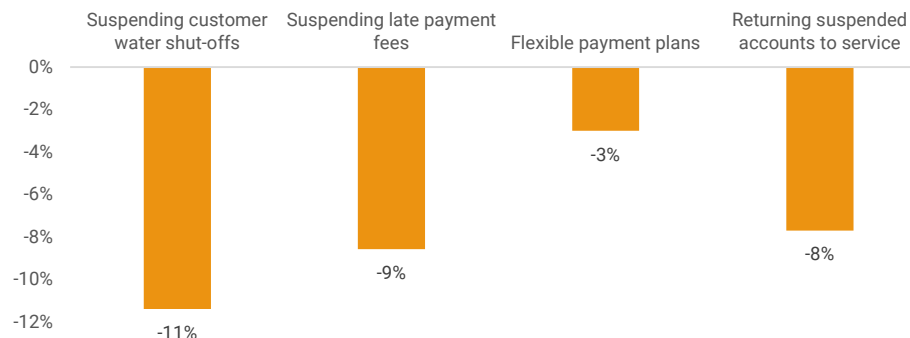


# Most Utilities Surveyed Continue to Suspend Water Shut-Offs, but Numbers are Down Since Last Survey Period

85% of utilities say they have continued policies to suspend water shut-offs during the COVID-19 pandemic as well as significant numbers suspending late fees and flexible payment plans to assist customers affected by the economic fallout. However, these numbers do show a drop from late April when 96% of surveyed indicated they had suspended shut-offs.

Type of Assistance (n=410)	% Currently Implemented
Suspending customer water shut-offs	85%
Suspending late payment fees	62%
Flexible payment plans	60%
Establishing interest free payment plans	33%
Deferring payments	30%
Returning suspended accounts to service	27%
Waiving Service Fees	14%
Continuation of existing utility managed customer assistance program with no changes	12%
Continuation of existing external customer assistance program with no changes	10%
Expanding or modifying utility managed customer assistance program	8%
None of the above	7%
Expanding or modifying external customer assistance program	5%
Rate reductions/billing assistance rate	4%
Creating new customer assistance program	4%
Other	4%
Bill credits or bill forgiveness	2%

## Change Since Last Survey Period (April 17-22)



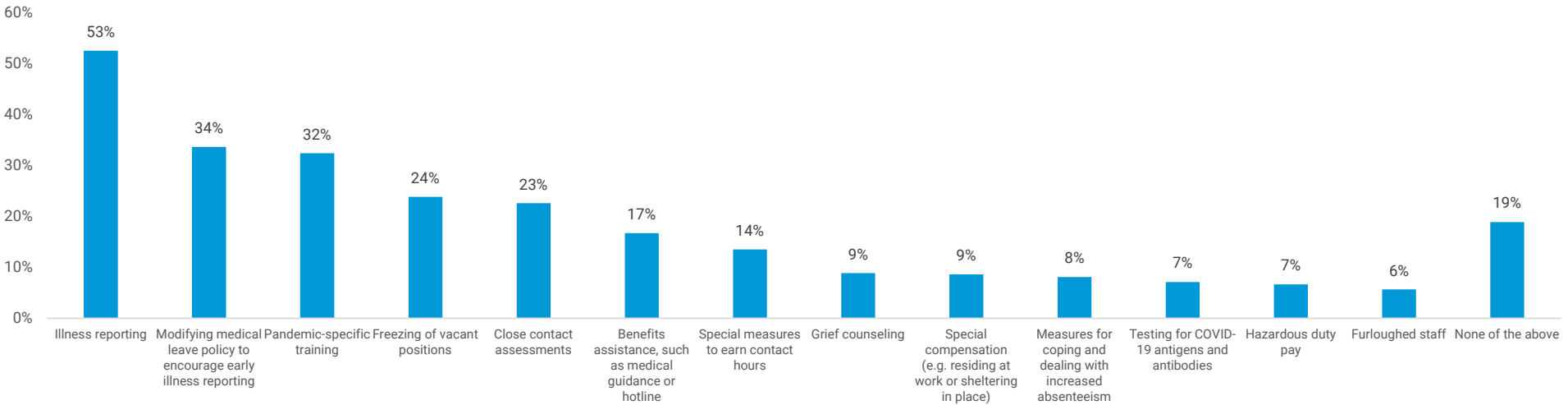
## Other Responses

- As a wholesaler, we have reduced next FY budget, offered opportunities for our customer communities to delay loan repayments and made other adjustments to assist our customer communities with cash flow
- Use of CARES Act stimulus funding to help customers pay bills
- Guiding customers to state and federal programs
- All back to normal May 18
- Raise in Rates for 2020 suspended until further notice
- delay in increased revenue requirement by a quarter
- Reduced anticipated rate increase to zero
- Case by case for residents who have lost income due to C-19
- Currently as stated above, however going back to normal July 15th.
- Suspended construction tie in related shutdowns
- issues handled on a case by case basis
- Working with township trustees to pay overdue water/wastewater bills

# Over Half of Surveyed Utilities Instituted Illness Reporting Measures

53% said their utility put illness reporting policies in place and about a third indicate they modified medical leave policies and conducted specific training for the pandemic.

Workforce and HR Efforts Taken Due to COVID-19  
N=407



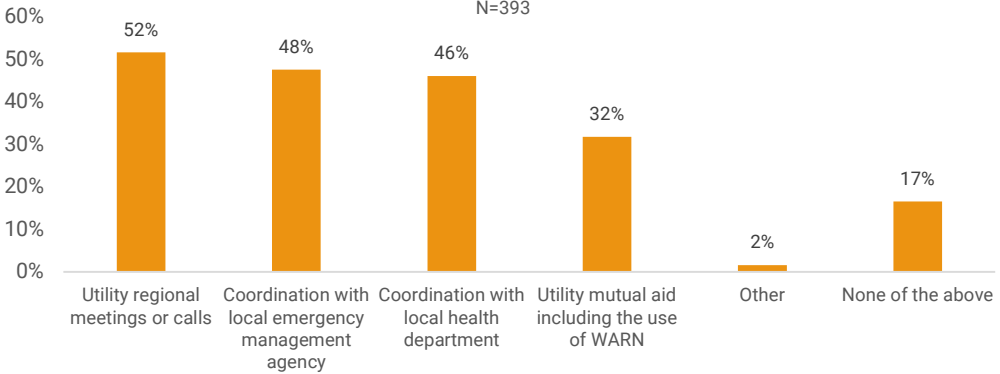
Q7 - Which of the following workforce and human resource efforts have you undertaken due to the COVID-19 pandemic? (Select all that apply)



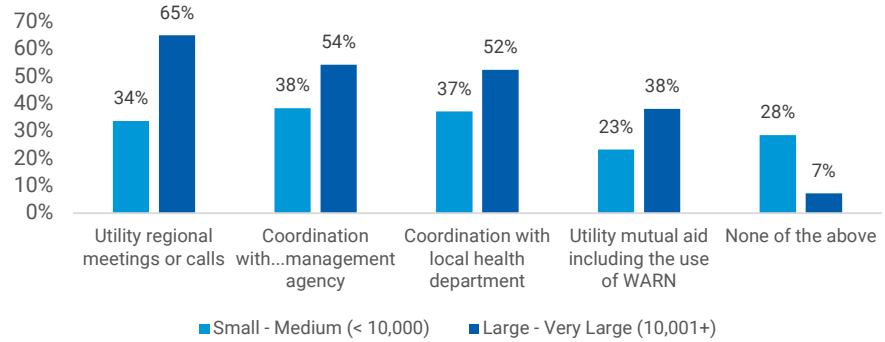
# Collaboration Common as Utilities Respond to the COVID-19 Pandemic

Only 17% of surveyed utilities answered “None of the Above” highlighting that collaboration was common in the COVID-19 response. Collaboration with regional utilities, local emergency management agencies, and health departments all common. Larger utilities (10,001+ pop. served) are more likely to collaborate in their response.

**Collaboration Efforts to Assist in COVID-19 Response**



**Collaboration Efforts to Assist in COVID-19 Response by Utility Size**



**Other Responses**

- Read all communications from our regular resources which kept us up to date and aware of circumstances as they developed.
- Coordination with other local utilities.
- NJ State Water and WW Security Working Group
- AWWA
- II Section AWWA calls
- Coordination with regulatory agency

Q19 - Which of the following collaborative efforts have you participated in when dealing with your response to COVID-19? (Select all that apply)

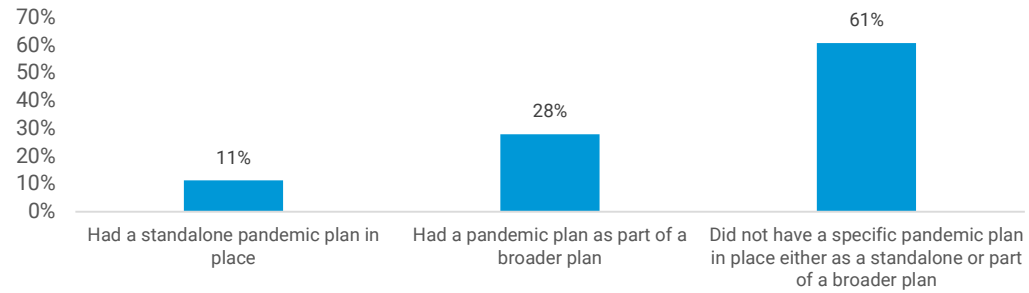


# Most Utilities Did Not Have a Specific Pandemic Plan in Place Before COVID-19, but Many are Updating or Developing New Plans

Almost 2/3<sup>rd</sup> of surveyed utilities said that didn't have a pandemic plan and only 11% had a standalone pandemic plan. Over half have already decided to update or create a new plan with another 25% considering options. 75% of utilities indicate they are documenting lessons learned and will develop an after-action report.

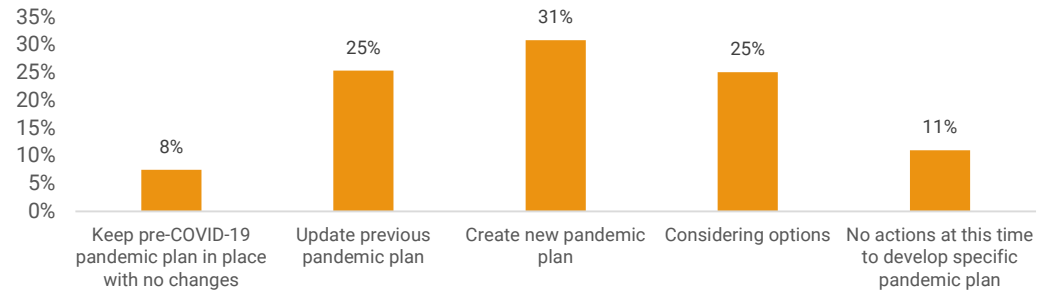
## Pandemic Plan Status Prior to COVID-19

N=393



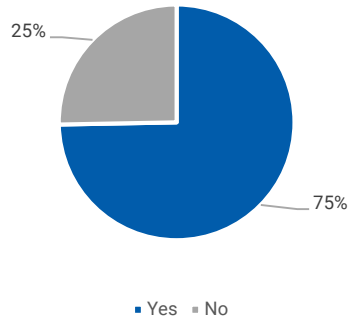
## Adjustments to Pandemic Plan

N=393




## Documenting Lessons Learned and After-Action Report

N=340



Q20 - What best describes your utility's pandemic plan prior to COVID-19?  
 Q21 - What best describes your utility's actions now regarding adjustments to your pandemic plan?  
 Q22 - Is your utility documenting lessons learned and planning to develop an after-action report?





# UTILITIES - RE-OPENING AND “RETURN TO NORMAL”

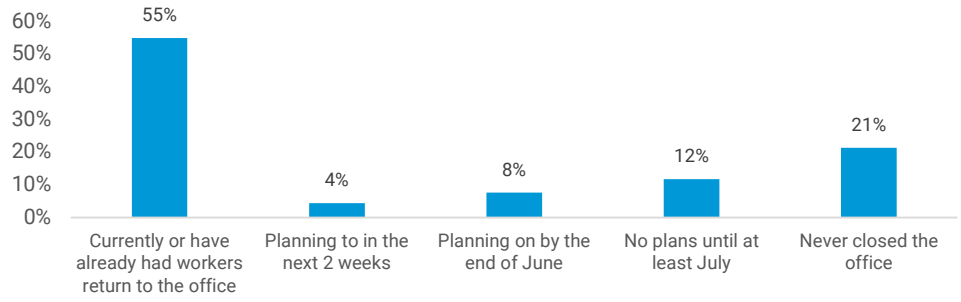


# Most Utilities Surveyed Have Already Re-Opened Their Offices (if they closed them)

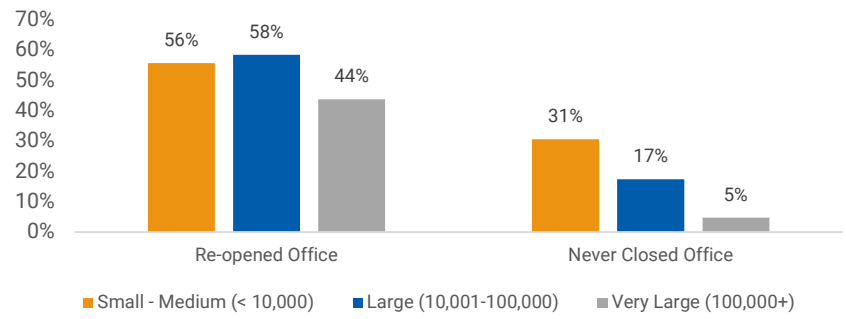
A total of 76% of utilities have already returned workers to their office. This includes 55% who said they had workers return and another 21% who never closed their offices. Very large utilities are more likely to have not re-opened the office yet as well as to have closed their office. Only 12% of those surveyed will keep offices closed until at least July 2020.

## Status of Office Re-openings

N=408

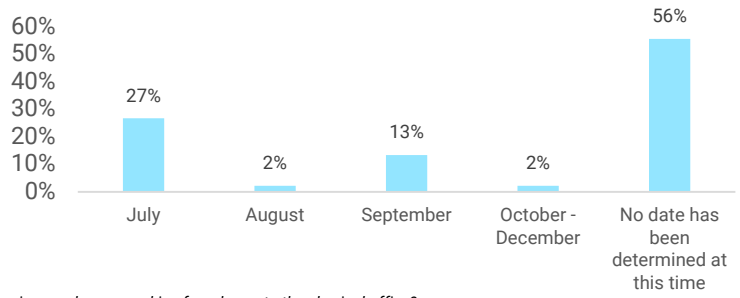


## Office Status by Utility Size



## Office Re-openings Past June

N=45



Q14 - As states have been relaxing stay-at-home orders, is your organization returning employees working from home to the physical office?  
 Q14a - When do you expect to reopen your physical office?

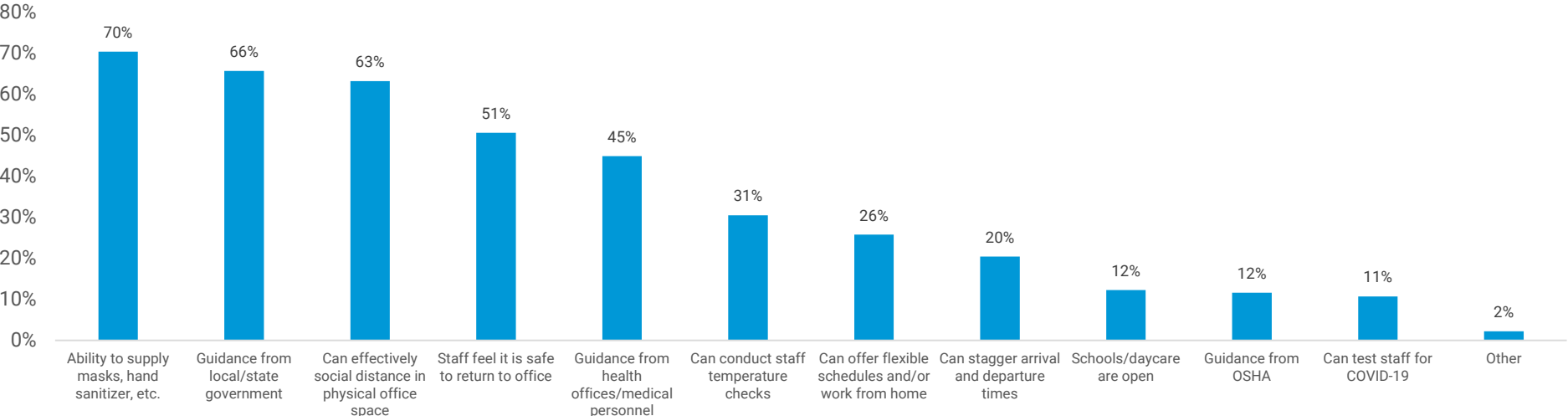


# Ability to Supply Masks and Hand Sanitizer, Guidance for Government, and Effectively Practice Social Distancing Top Factors When Considering Re-opening

Over 2/3<sup>rd</sup> of utilities surveyed say they have or are considering the ability to supply masks and sanitizer to employees, guidance from local/state governments, and if they can effectively socially distance when they are deciding whether and when to re-open the office. Half say they also are considering how staff feel about returning to the office in order to make sure they feel safe.

## Primary Factors When Considering Re-Opening Office

N=318



### Other Responses

- COVID-19 treatments and a vaccine
- Follow federal agencies and their actions including EPA, CDC, BOR, WHO
- Ability to move employees safely on elevators
- Small number of employees so we just practice social distancing.
- Poly screens for counter staff
- ordered thermographic scanning devices for visitors/customers

Q17 - When contemplating re-opening of your physical office space, what are the top five primary factors you have or may consider? (Select up to five)



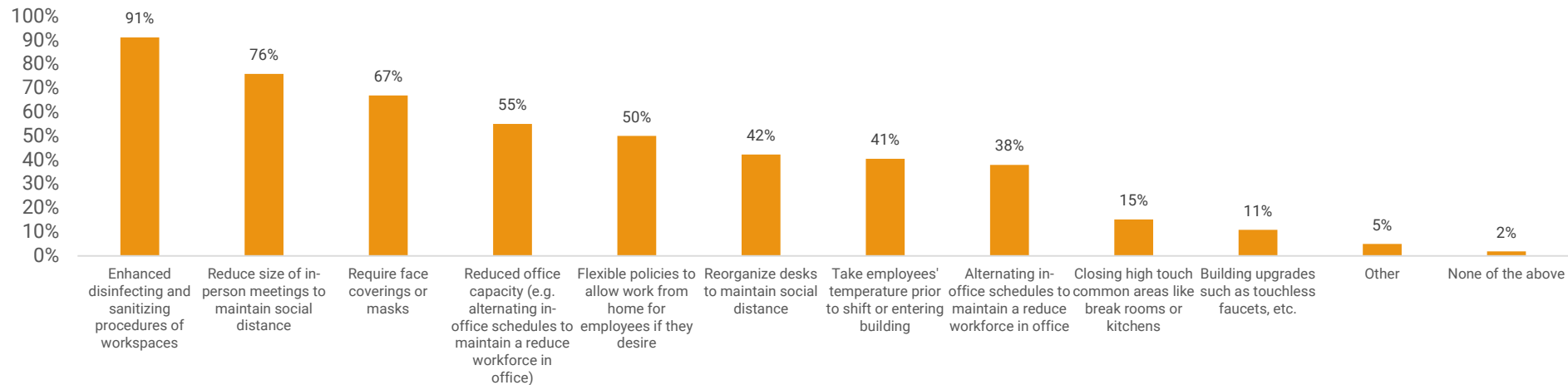


# Almost All Utilities Are Taking Steps to Protect Employees from Possible COVID-19 Infections When They Return to the Office

Just over 90% of surveyed utilities are enhancing their cleaning procedures while 76% have reduced meeting size, and 67% are requiring face coverings or masks. Half say they have flexible work from home policies.

## Steps Taken to Protect Employees From Possible COVID-19 Infection

N=321



### Other Responses

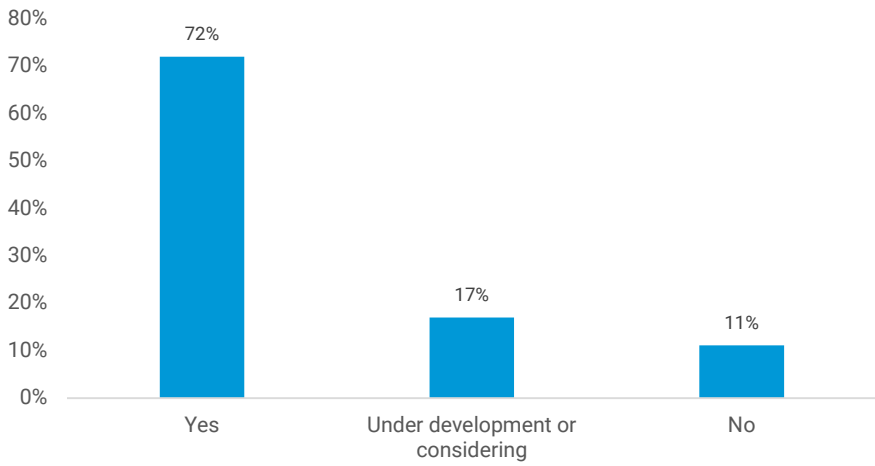
- Reducing capacity of break rooms, remote muster areas, slightly shifting shift start times to reduce clustering;
- Set up additional break rooms and second control center
- Office closed to public
- Conduct virtual meetings
- Only have a few employees in building
- Upgrade HVAC filters and installed UV treatment
- Lobby continues to be closed
- Propping doors open to avoid touching.
- Installing plexiglass between customers and staff, social distancing stickers on floors, posters with reminders, drive thru option for payments, limited public access, working to increase vendor payments using ACH and contactless customer payments, virtual meetings
- Added signage to remind employees of safe work habits.
- Installation of Plexiglas dividers
- Only able to use bottle fillers on drinking fountain, doors modified so they can be opened by foot, signage, wear masks wash hands
- Installed protective barriers for customer service staff,, although lobby remains closed for now
- Droplet Shields in public service areas
- No in-person meetings for now

# Almost 90% of Surveyed Utilities Have, Developing, or Considering a Plan if an Employee Tests Positive

Over 70% of utilities already have a plan in place if an employee tests positive for COVID-19 and another 17% are developing or considering a plan. Additionally, a majority of utilities' policies to mitigate risk will apply to both offices and plant or operational facilities.

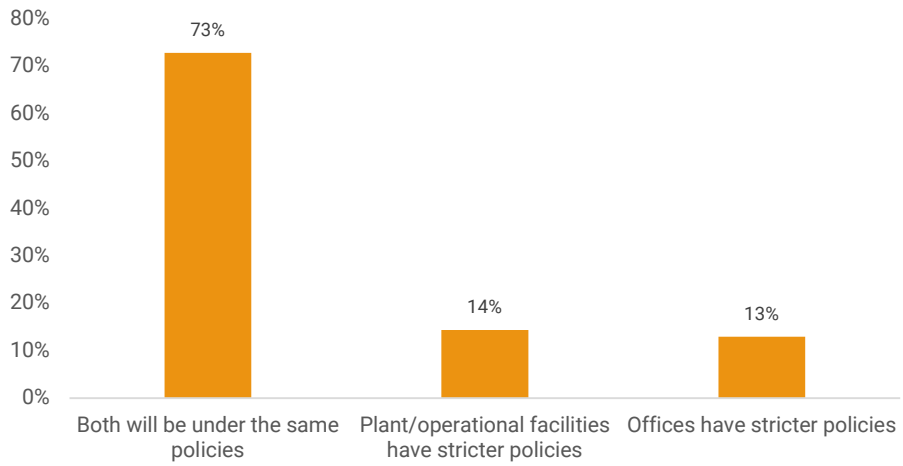
### Plan in Place if Employee Tests Positive for COVID-19

N=406



### Policies at Office and Plant/Operational Facilities

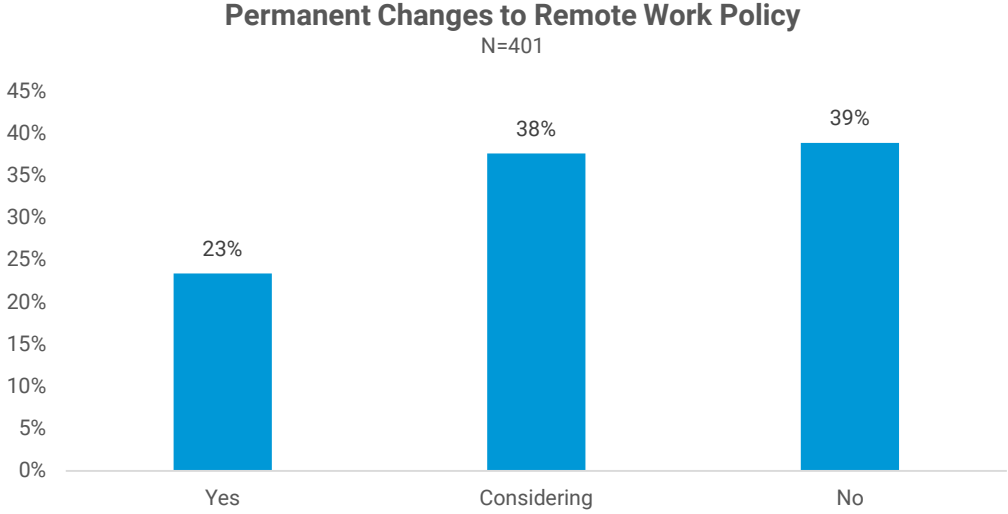
N=363



Q16 - Do you have a specific plan in place if someone if the office or operational facilities tests positive for COVID-19?  
Q18 - When you re-open your physical office space will you have the same social distancing and other risk mitigation policies for offices as you do for plant/operational facilities?

# About 60% of Utilities Surveyed Have or Are Considering Making Changes to Their Remote Work Policies to Allow for More Flexibility

Nearly a quarter of utilities say they have already made permanent changes to their remote work policies to allow employees, who can, have more flexibility work from home. Another 38% are considering permanent changes.



Q14b - Has COVID-19 influenced permanent changes in your organization's remote work policy to allow for more flexibility for employees, whose job functions allow, to work from home?



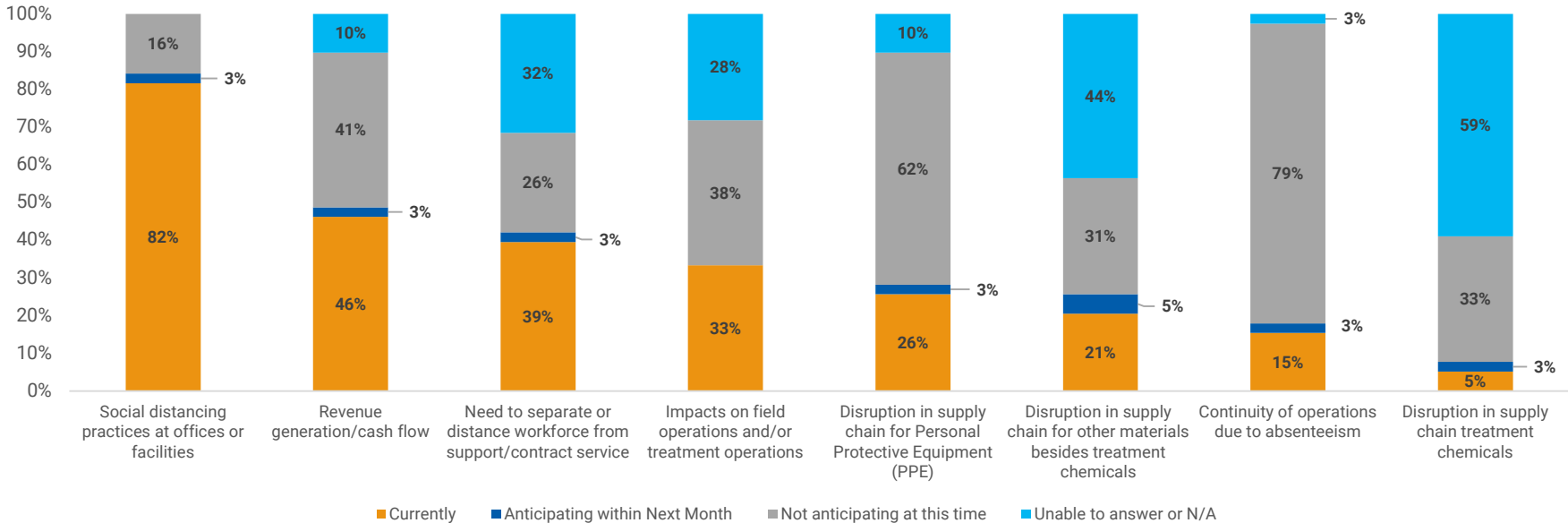
# SERVICE PROVIDERS

CONSULTANTS,  
MANUFACTURERS,  
DISTRIBUTORS,  
REPRESENTATIVES, ETC.

# Maintaining Social Distance and Revenue Issues Biggest Challenges for Service Providers

Over 80% of surveyed service providers indicate social distancing at offices or facilities is current challenge and nearly 50% are facing revenue generation/cash flow issues.

Current and Anticipated Challenges  
N=39



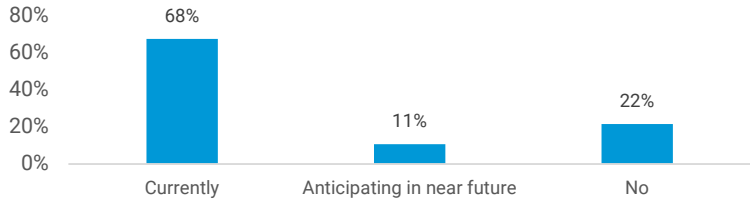
Q3: Which challenges to sustaining business operations are your organization currently experiencing or anticipating due to COVID-19?

# Over 2/3<sup>rd</sup> of Surveyed Service Providers Report Some Financial Impact Due to the COVID-19 Pandemic

68% report some sort of financial impact, with 11% still anticipating it in the near future. Nearly as many say they have made spending adjustments. Almost all have adjusted spending on travel and 70% are in a hiring freeze. Notably, nearly half (48%) of surveyed service providers have had to resort to furloughs or layoffs.

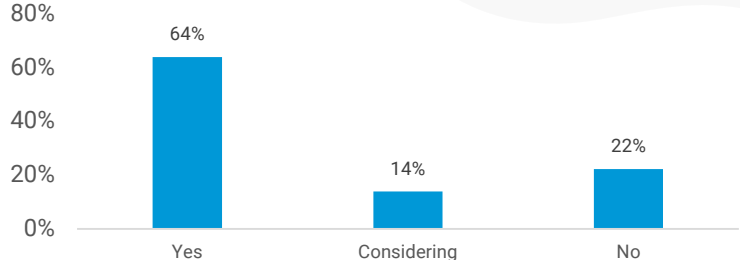
**Broader Financial Impact – revenue, budget, or spending reductions**

N=39



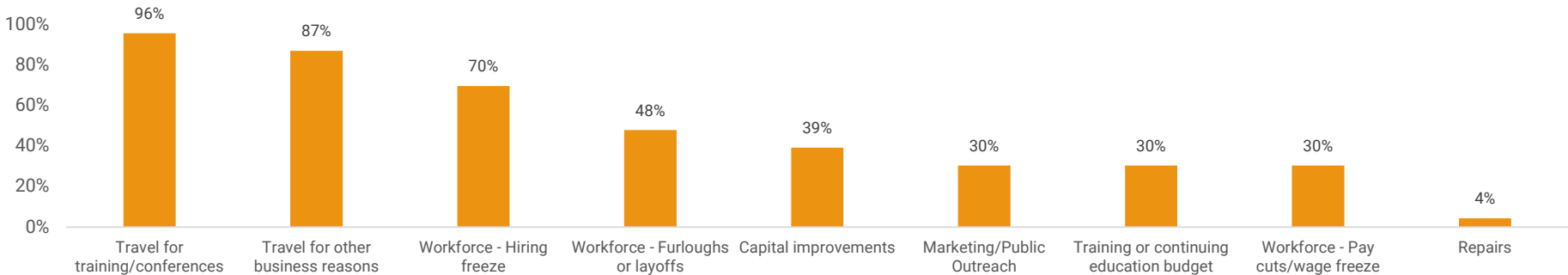
**Status of Spending Adjustments**

N=39



**Areas of Current Spending Adjustments**

N=23



Q16: Is COVID-19 currently or potentially presenting any budgetary, revenue, or spending reductions?  
 Q25 - Has your organization implemented any spending adjustments?  
 Q26 - In what areas has your organization made spending adjustments? (Select all that apply)

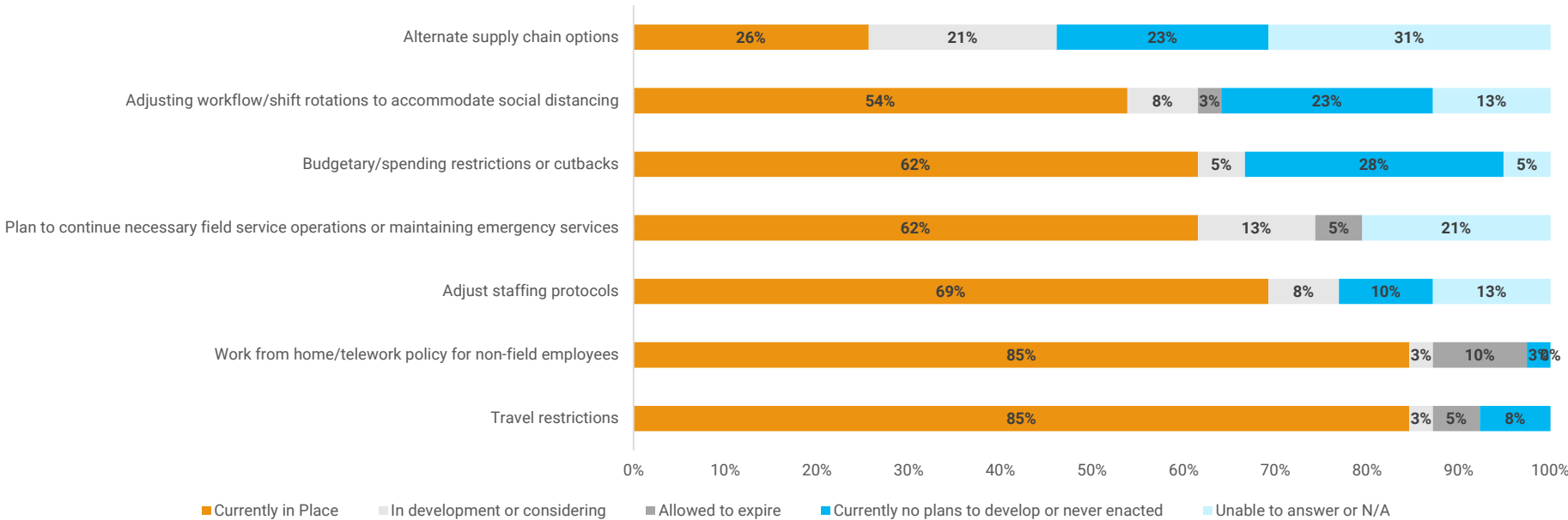


# Most Service Providers Surveyed Still Have Travel Restrictions and Remote Work Policies in Place

85% said they currently have travel restrictions and remote work policies in place and are not allowing them to expire at the rate of utilities reported (slide 14).

## Actions Taken to Manage Risk and Plan for Contingencies

N=39



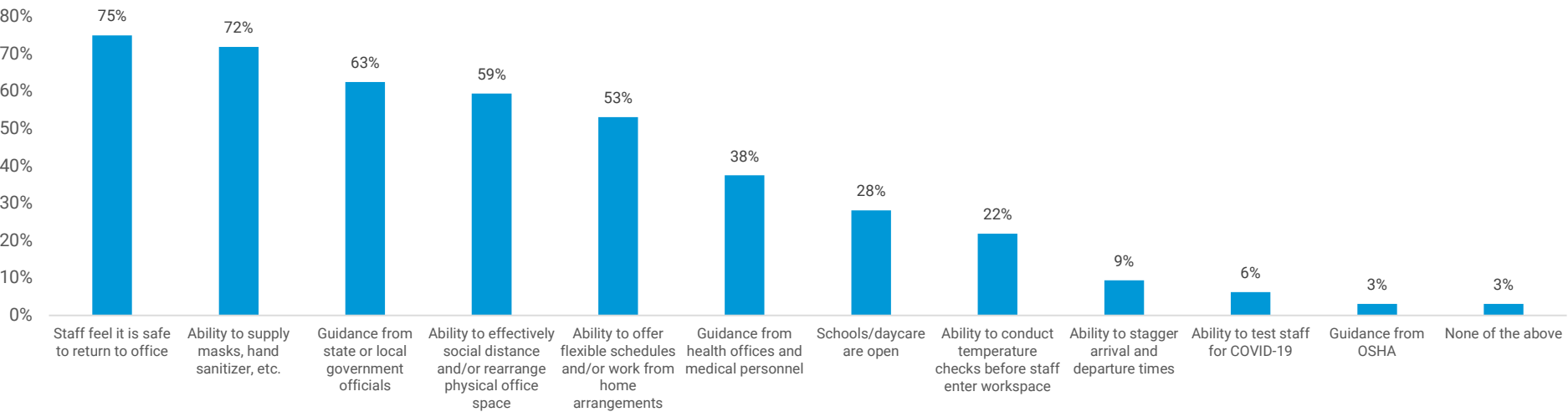
Q4b: Please indicate which of the below your organization has in place or is developing to manage risk/plan for contingencies due to COVID-19:



# Most Common Factors for Deciding to Re-Open Office for Service Providers are If Staff Feel Safe and the Ability to supply Masks and Hand Sanitizer

About three quarters of surveyed service providers said making sure their staff feel safe to return and their ability to provide masks and hand sanitizer were a primary factor when considering to re-open office. Guidance from state/local governments and the ability to effectively social distance at the office were also common with around 60% of respondents saying that was considered as a primary factor.

Primary Factors When Considering Re-Opening Office  
N=32



Q17 - When contemplating re-opening of your physical office space, what are the top five primary factors you have or may consider? (Select up to five)