

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

RESOLUTION 2019-06

**ENCOURAGING STATE LEGISLATURES AND STATE PUBLIC UTILITY
COMMISSIONS TO INSTITUTE PROGRAMS TO REDUCE
THE INCIDENCE OF DISCONNECTION OF RESIDENTIAL WATER
SERVICE BASED ON NONPAYMENT AND TO COLLECT UNIFORM DATA
ON SUCH DISCONNECTIONS**

Whereas, this resolution encourages state legislatures and state public utility commissions to institute programs to reduce the incidence of disconnection of residential water service based on nonpayment; and

Whereas, water bills have reportedly increased at three times the rate of inflation over the last fifteen years,¹ with the average monthly residential bill rising by nearly 50 per cent between 2010 and 2018;² and

Whereas, an estimated 5 per cent of American households, representing an estimated 15 million Americans, experienced a water shutoff in 2016;³ and

Whereas, water service is a necessity for life; and

Whereas, disconnection rates have continued to rise despite the economic recovery of the last ten years, and studies have shown that disconnections occur disproportionately in low-income communities;⁴ and

Whereas, the U.S. Environmental Protection Agency estimates that America's water infrastructure will require an investment over the next twenty years of \$472.6 billion,⁵ and its wastewater and storm water systems will require an additional investment of \$271 billion over the same period;⁶ and

Whereas, the immense financial burden posed by these infrastructure needs will, absent funding from other sources, place substantial increasing upward pressure on the rates for water and wastewater services and will correspondingly decrease affordability for residential consumers; and

Whereas, water shutoffs render dwellings uninhabitable and unsanitary under the law of some states, and may lead to family separation due to findings of child neglect in other states;⁷ and

Whereas, unpaid water bills can lead to home eviction and foreclosure through the placement of water liens on homeowners' tax bills;⁸ and

Whereas, solutions have been developed in the energy utility industry to assist customers in paying their bills before being disconnected but few if any similar solutions have been developed in the water industry; and

Whereas, the introduction and more widespread use of such solutions in the water utility industry would help break the disconnection/reconnection cycle and its associated harmful consequences;

Now, therefore, be it resolved, that NASUCA encourages policymakers at all levels to prioritize reducing the incidence of disconnection of residential water accounts based on nonpayment, as a means of minimizing both the harm to individuals and the social costs to the community of households living without essential water service;

Be it further resolved, that NASUCA encourages state legislatures and state public utility commissions to institute specific programs to reduce the incidence of disconnection of residential water accounts based on nonpayment, including but not limited to the following elements:

- (1) The adoption, maintenance and enhancement of requirements regarding opportunities to enter into and renegotiate payment plans, limits on deposits, choice of billing date, and other tools for increasing and maximizing customer ability to pay, with disconnection limited to the tool of last resort;
- (2) The adoption, maintenance and enhancement of customer protections regarding bill issuance and billing disputes to prevent erroneous disconnections;
- (3) The adoption, maintenance and enhancements of protections against disconnection for households with senior citizens, infants and medical hardships;
- (4) The adoption, maintenance and enhancement of requirements regarding customer notification of impending disconnection and available assistance;
- (5) The adoption, maintenance and enhancement of benchmarks to reduce disconnection rates; and
- (6) The adoption, maintenance and enhancement of reporting requirements relating to disconnections, arrearages, and credit and collections activities and the publication of such information online in a manner that is easily accessible by the public;

Be it further resolved, that NASUCA authorizes its Executive Committee to develop specific positions and take appropriate actions consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to taking action if possible. In any event the Executive Committee shall notify the membership of any action pursuant to this resolution.

Submitted by Consumer Protection Committee

Approved November 18, 2019
San Antonio, Texas

¹ Food and Water Watch, “America’s Secret Water Crisis: National Shutoff Survey Reveals Water Affordability Emergency Affecting Millions” (October 2018), at 3, citing National Academy of Public Administration, “Developing a New Framework for Community Affordability of Clean Water Services” (October 2017), at 22; and see generally, Unitarian Universalist Service Committee, “The Invisible Crisis: Water Unaffordability in the United States,” May 2016.

² Joseph W. Kane, Brookings Institution, “Water affordability is not just a local challenge, but a federal one too” (January 25, 2018).

³ Food and Water Watch, note 1 above, at 7.

⁴ See, e.g., NAACP LDF, “Water/Color: A study of race and the water affordability crisis in America’s cities,” Coty Montag, April 2019, at 21-31.

⁵ U.S. EPA, “Drinking Water Infrastructure Needs Survey and Assessment, 6th Report to Congress” (EPA 816-K-17-002), March 2018 at 9.

⁶ U.S. EPA, “Clean Watersheds Needs Survey 2012: Report to Congress” (EPA 830-R-15005), January 2016 at 1.

⁷ See, Georgetown Law Human Rights Institute Fact-Finding Practicum, “TappedOut: Threats to the Human Right to Water in the Urban United States,” April 2013, 34.

⁸ See, National Consumer Law Center, “The Other Foreclosure Crisis: Tax Lien Sales,” July 2012, 5, www.nclc.org/images/pdf/foreclosure_mortgage/tax_issues/tax-lien-sales-report.pdf.