



September 1, 2020

Representative Kirkman Finlay, III, Chairman  
House Ways and Means CARES Act Ad Hoc Committee  
532A Blatt Building  
Columbia, SC 29201

Re: CARES Funding to Assist Customers Delinquent in Their Utility Bills

Dear Chairman Finlay:

We are contacting you on behalf of 330 public water and sewer utilities serving over 4 million South Carolina Residents. Many of our customers have been significantly impacted financially by the COVID-19 pandemic and, consequently, cannot pay their utility bills. These customers face shut off of essential utility services. In order to avoid this result, we ask for your assistance setting aside \$10-15 million in CARES Act Funding for those in South Carolina who are unable to pay for their water and sewer utilities.

Utilities routinely face the reality of customers who either cannot or struggle to pay their utility bills. The COVID-19 pandemic has exacerbated this financial burden for the following reasons:

1. Many customers find themselves unemployed, furloughed or otherwise in uncertain employment conditions which will leave them hesitant, or unable, to stay current with their utility bills.
2. The statewide suspension of service termination was interpreted by many customers as “bill forgiveness”, and the normal impulse to follow through on utility bill payment has been set aside.
3. Unresolved bill satisfaction can cause the twin problem of possible service interruptions for those who are struggling the most, and the prospect of utilities having to pursue rate increases on the remaining customer base to fund operations and capital needs.

Utilities across the state were already working hard to fund operational and capital needs for the current and future water and wastewater service needed in our communities to protect public health and support economic development. However, the number of customers who are unable to pay their monthly bills has risen dramatically. In March, Governor Henry McMaster sent a letter to the Public Service Commission asking for utilities to suspend turnoffs for nonpayment as we all deal with this pandemic, which we agreed to do. Utilities have seen the number of non-payments spike since the past pandemic began in South Carolina, leading to significant revenue loss. Utilities sent a letter to Governor McMaster on May 8 requesting a larger amount of CARES funding be set aside to support customers who could not pay. Although Governor McMaster rescinded his letter requesting no turn-offs a few days later, some utilities are struggling to recover the losses and many customers continue to not be able to pay their bills.

This has been a particular problem for small and midsize rural water utility providers, but has also impacted larger utilities, as well.

We request that as plans are being made for the disbursement of the funds available to the State of South Carolina via the CARES Act, that at least \$10 - 15 million be targeted to customers of water and wastewater utilities who are in arrears for the purpose of keeping them current on their account payments, avoiding COVID-19-related shutoffs, and avoiding widespread utility funding shortfalls. This is allowable under the US Treasury's guidance (May 4) on the use by states of the CARES funds. Several states, including North Carolina (attached), are moving forward with similar plans. The state has several programs in place to distribute funds for rent and electric utilities assistance that could be used for these monies to be equitably distributed to those in need.

We would appreciate the opportunity to discuss this critical need with your staff and to provide any additional information they may be required.

Thank you in advance for considering our request.

Sincerely,

SOUTH CAROLINA SECTION OF THE AMERICAN WATER WORKS ASSOCIATION



Christy Everett, Chair  
SCAWWA Water Utility Council



David Baize, Executive Director  
SC American Water Works Association

SOUTH CAROLINA RURAL WATER ASSOCIATION



Jill Miller, Executive Director  
SC Rural Water Association

SOUTH CAROLINA WATER QUALITY ASSOCIATION



Paul Calamita, General Council  
SC Water Quality Association

cc: Speaker Jay Lucas  
Chairman Murrell Smith  
Cares Act Ad Hoc Committee Members