

INSIGHT

Water utilities assess the financial impacts of COVID-19

Clean water is a vital service to maintain despite emergencies, natural disasters and even worldwide pandemics. While uninterrupted water and wastewater services are critical to communities and industry, utility provides are not insulated from feeling the financial impacts of COVID-19 on operations. In fact, the National Rural Water Association (NRWA) surveyed 4,636 water and wastewater utilities across the U.S. and estimates small systems will lose $998 million in revenue by mid-July 2020.

As the NRWA survey shows, many systems are experiencing or expect to experience revenue losses due to reduced commercial consumption, unpaid household bills and deferred or cancelled plans for rate increases. Operational costs related to COVID-19 are also accumulating for things like overtime wages, personal protective equipment and flexible working arrangements.

To help water systems understand the effects of COVID-19, the U.S. Environmental Protection Agency (EPA) recently released a new financial analysis tool. This tool helps provide insights into how operations during COVID-19 have affected a water utility's financial standing. The Water Utility COVID-19 Financial Impact Tool leads water system managers through a series of questions to help determine how their revenues, expenses and cashflow have been affected as they continue to plan for ongoing operation and maintenance and capital infrastructure needs.

To access the EPA's Water Utility COVID-19 Financial Impact Tool, visit https://www.epa.gov/waterfinancecenter/financial-technical-assistance-and-tools-water-infrastructure#tools. If you have any questions regarding the Financial Impact Tool or would like assistance determining the impacts caused by COVID-19 on your water system, please don't hesitate to contact Bartlett & West's water resources team or email Jame Todd.

Sources:

https://www.epa.gov/newsreleases/epa-releases-financial-impact-tool-help-water-utilities
https://nrwa.org/wp-content/uploads/2020/06/Survey-White-Paper.pdf