



Media Release

Survey results show COVID-19 financial impact on water systems, customers

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SACRAMENTO – Public water systems throughout California are facing heightened financial challenges during the COVID-19 pandemic, as about 1.6 million residential water customers, or 12% of all households, have been unable to pay their bills, according to the State Water Resources Control Board’s comprehensive survey.

The results of the survey were presented to the Board at its meeting today and are available to the public [online](#). The survey requested information from a statistically significant sample of 510 small- to medium-sized water systems (fewer than 10,000 service connections) and 150 large systems (more than 10,000 service connections). The water systems sampled provide service to 70% of Californians, or 28 million people. The data received from these systems were used to estimate statewide impacts and offer the first detailed assessment of the pandemic’s impact on California water systems and their customers, revealing that many households were carrying an average of \$500 in water debt by the end of October 2020.

“For nearly a year, the COVID-19 pandemic has made it difficult for many people to pay their bills due to job loss and other hardships. The findings in our survey give us the first clear picture of the impacts on Californians and our community water systems,” said E. Joaquin Esquivel, chair of the State Water Board. “Results of this survey are critical data points to inform state and federal policymakers as we consider additional relief options for water systems and community members.”

Even before COVID-19, many smaller water systems were struggling with financial and operational challenges, which are now being exacerbated by prolonged revenue losses. The survey results indicate that up to 25 small- to medium-sized water systems are at extreme risk and may need financial assistance before April, based on three self-reported items: number of months until financial assistance may be needed, cash on hand, and revenue-to-expense ratio. Many other water systems have deferred capital investments and maintenance projects, making them more vulnerable to future shocks. The Board will support these water systems to identify and obtain assistance, in coordination with state and federal agencies.

Many low-income Californians face high levels of water bill debt, with over 155,000 households owing over \$1,000. High debt levels are concentrated in ZIP codes with lower household incomes and higher proportions of Black and Latinx residents. The top-10 ZIP codes with the highest levels of water debt are in Los Angeles, Santa Maria, Rancho Cordova, Colton, Bell Gardens, Norwalk, and Cypress. The water-debt crisis issue is most acute in Southern California,

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particularly in Los Angeles. Not all ZIP codes were included in the survey, so the Water Board projects more with high debt.

“We are going to do everything in our power to get emergency assistance to any water systems that think they are in danger of not being able to maintain service. We are also encouraging water systems that were not part of the survey to contact us right away if they are facing financial challenges related to COVID,” said Darrin Polhemus, deputy director of the State Water Board’s Division of Drinking Water.

The survey data indicate that total household debt statewide is currently \$1 billion. Since some water systems also collect payment for wastewater, stormwater and energy on their water bills, the State Water Board estimates \$600 million of that debt is specifically for drinking water. The water systems sampled provide service to 70% of Californians (28 million people). The response rate was high: 84% (428) of small/medium and 87% (131) of large systems contacted by the State Water Board responded to the survey.

To protect all households’ access to water during the COVID-19 pandemic, the Governor’s April 2, 2020 [Executive Order](#) prevents water service shut offs for non-payment and continues for the duration of the emergency.

The State Water Board is in the second year of a 10-year plan to address out-of-compliance systems using a range of solutions through its Safe and Affordable Fund for Equity and Resilience (SAFER) program. This new data will better inform those efforts, but it also highlights that there will likely be even more demand on the limited resources allocated to help systems that already were at risk pre-COVID. The State Water Board will be exploring all avenues to help systems and households recover from the impacts of this pandemic.

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