

AN ORDINANCE TO ENACT A TEMPORARY MORATORIUM ON WATER SERVICE DISCONNECTIONS

#0096

Sponsor:

Council
Member
Darby

WHEREAS, the Wilmington City Council (“Council”) has an interest in establishing fair and uniform policies for the health and protection of the residents of the City of Wilmington (the “City”); and

WHEREAS, on March 13, 2020, the Mayor suspended indefinitely water service disconnections pursuant to an Executive Order to allay concerns for those who faced extra financial burdens in uncertain economic times caused by the COVID-19 pandemic; and

WHEREAS, on June 3, 2021, the Mayor announced the intention to resume water service disconnections beginning June 9, 2021.

WHEREAS, every resident of the City of Wilmington, regardless of where they live, race, or class, should have access to clean and safe water, even as many continue to struggle economically due to the lasting impacts of the pandemic, and

WHEREAS, estimates show that people across the nation are facing utility debt in the tens of billions as a direct result of the pandemic-driven unemployment crisis, and

WHEREAS, no one should fear that their water will be shut off at any time, but especially during a time when hand-washing and practicing proper hygiene is critical to prevent the spread of a deadly illness, and

WHEREAS, for the first time ever, Congress in December 2020 and March 2021 appropriated funds specifically for low-income water and wastewater assistance – a total of \$1.138 billion nation-wide for an emergency Low Income Household Water Assistance Program (LIHWAP), and

WHEREAS, the FY 2021 Allocation of LIHWAP Funds to Delaware under the Consolidated Appropriations Act, 2021 (P.L. 116-260) and the American Rescue Plan Act of 2021 (Public Law 117-2) included funding amounts awarded for each grant as follows: 2021 Consolidated Appropriations Act - \$1,587,923.00; American Rescue Plan Act of 2021 - \$1,244,454.00, and

WHEREAS, grantees may use these funds to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services, and

WHEREAS, LIHWAP grantees are free to obligate any portion of these funds in FFY 2021, FFY 2022, or FFY 2023. All funds must be obligated by September 30, 2023 and expended (liquidated) by December 31, 2023, and

WHEREAS, additionally, the State of Delaware has dedicated \$200 million in federal coronavirus relief funding to provide housing assistance, including payments for utility bills, such as water bills, for renters who have fallen behind since the onset of the pandemic, and

WHEREAS, additionally, the City of Wilmington will receive \$55.3 million in two tranches—\$27 million in 2021 and the remainder of the money next year, and the eligible uses of the funds includes covering governmental losses in revenue due to the pandemic and making necessary investments in water and sewer infrastructure, and

WHEREAS, it is in the interest of the public and the city to avoid water shut-offs to vulnerable residents while maximizing utilization of federal resources designed to promote health and safety during a pandemic, and

WHEREAS, the implementation of systems to distribute newly available federal and state resources to assist with utility payments have proceeded slowly, resulting in delinquencies even among households that qualify for aid,

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Temporary Moratorium Established. A temporary moratorium is hereby established on water service disconnections.

SECTION 2. Effective Period of Temporary Moratorium. The temporary moratorium set forth in Section 1 shall become effective on the date that the Mayor signs this Ordinance and shall remain in effect for 6 months from that date.

SECTION 3. Effective Date. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

SECTION 4. Notice of Assistance. A past due notice sent to a customer by the Department of Public Works shall include notice issued in at least English and Spanish that shall include information on:

- (a) The availability of payment assistance programs;
- (b) Information on eligibility for payment assistance programs and the process to apply to each payment assistance program;

SECTION 5. Reporting. Beginning October 1, 2021 and ending on May 1, 2022, the Department of Public Works shall report monthly to Wilmington City Council the number of customers, by zip code and customer class:

- (a) that have entered payment plans
- (b) that are in arrears.

First Reading.....October 7, 2021
Second Reading.....October 7, 2021
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2021.

Mayor

SYNOPSIS: This Ordinance enacts a temporary 6-month moratorium on water service disconnections and creates notice and reporting requirements for the Department of Public Works.

FISCAL IMPACT: The fiscal impact of a water service disconnection moratorium is projected to reduce water/sewer revenue collections by approximately \$282,000 per month. This is based on the effects of a similar moratorium due to COVID 19 between March 2020 and May 2021, which resulted in a loss of \$4.2 million over the period. This was due to the prohibition of water disconnection as a primary enforcement tool for payment. A similar moratorium could potentially cost the City \$1.7 million in reduced revenues over 6 months.