



May 12, 2020

Governor Pritzker:

We are in the midst of a once-in-a-generation moment of change, and we commend you and your administration for the quick and decisive actions you have taken to protect public health and safety. The unprecedented challenges presented by the COVID-19 pandemic—immediate health issues, households and communities facing financial distress, and the struggle to provide even the most basic daily needs—lay bare societal, racial, and economic inequities that have persisted for far too long. Whether we are confronting COVID-19, climate change, or an economic downturn, these same sustained and structural inequities inhibit our overall progress and prosperity.

Making Illinois more resilient means tackling those inequities head on, because only by doing so will we better manage future shocks and chronic stresses. This is particularly true when it comes to ensuring universal access to safe, clean, affordable drinking water, preventing costly and damaging floods, and investing in the infrastructure and systems we need to manage wastewater and water quality. As your administration, the General Assembly, local leaders, and our D.C. delegates consider additional stimulus and recovery efforts, the Illinois Environmental Council and its members strongly recommend a substantial investment in and rethinking of water resources management throughout Illinois. These recommendations will provide immediate relief to residents and utilities, stimulate equitable economic recovery, and help build a more resilient Illinois.

Six measures stand out as especially important:

- Stop water shutoffs, require water service reconnections; and fund distribution of and access to emergency potable water.
- Provide water rate and fee assistance for low-income households, including debt forgiveness.
- Invest in stormwater and sanitary sewer infrastructure, prioritizing nature-based solutions, to improve public health while easing housing insecurity and community destabilization.
- Require the replacement of lead service lines throughout Illinois, and establish a sustainable revenue stream to fund workforce training, planning efforts, and replacement costs.
- Fund water-related workforce development programs, as well as staffing assistance and capital project design so low-capacity communities can better access stimulus and pre-existing funding.
- Invest in socially responsible water technology innovation and manufacturing.

Many of these measures reflect a growing national dialogue about the ties between water resources, COVID-19, and pathways to resilience; but we've articulated these solutions for Illinois' context. While some recommendations focus on new infusions of funding, most are about **directing available resources where they are needed most, and removing barriers to using them**. Certainly more funding for infrastructure is needed, but it is not a sufficient solution. Case in point: If low-income communities cannot access a state loan program, the program is not working right, and, if the program is designed for that to happen, it is propping up inequity.



Please be in touch if we can provide additional information about any of the recommendations in this memo, including specific funding and program design guidelines. Thank you for the opportunity to contribute our suggestions to this ongoing conversation about Illinois' relief and recovery efforts.

On behalf of the following organizations,

Illinois Environmental Council

Alliance for the Great Lakes

American Rivers

Freshwater Future

Blacks in Green

Little Village Environmental Justice Organization

Center for Neighborhood Technology

Metropolitan Planning Council

Current

Metropolitan St. Louis Equal Housing and Opportunity Council

Earthjustice

Natural Resources Defense Council

Elevate Energy

Prairie Rivers Network

Equity Legal Services

Sierra Club

Faith in Place



MEMO

Recommendations for State action on water: Response to the COVID-19 pandemic

As the State of Illinois responds to COVID-19, we recommend that special attention be given to water infrastructure. In particular, **we must ensure adequate water access and secure housing that is not threatened by flooding and raw sewage, as well as long-term affordability of all water services.** Below, we chart recommendations to achieve these goals by:

- providing immediate relief to users and utilities;
- ensuring longer term access and affordability; and
- helping our economy and communities recover from the recession we're entering.

Immediate relief for users and utilities

Thousands of people in Illinois (likely many more than we can confirm) are without access to running water in their homes. At the same time, thousands of Illinoisians face housing insecurity as spring rains bring repeated, chronic flooding to homes and yards with stormwater and even raw sewage. Relief must take many forms, specific to the user or utility at hand. We need to ensure functioning water services now more than ever, which means providing clean, safe, and sufficient drinking water in homes; affordable rates to users; revenue and operational support to utilities; and protections from floods and sewage discharges, wherever they are occurring and whatever the cause.

Water users need relief in the form of access to water for drinking and bathing, as well as near-term measures to reduce the risk of flooding and shore-up wastewater systems to ensure safe homes for sheltering in place. State action items should include:

- **Use emergency powers to declare a statewide moratorium on water shutoffs by public utilities, and to require immediate reconnections of suspended accounts.** Ensure no water accounts are disconnected by using executive powers to provide guidance to the hundreds of community water systems not currently bound by restrictions imposed on private investor-owned utilities. Moreover, require all water systems to safely restore service without fees where it has been disconnected, with appropriate water quality testing and alternative water provision as needed. Utilities should be required to proactively identify residences in need of reconnection based on records of all disconnections, rather than waiting for individuals to request reconnection. Further, utilities should publicly report to the state their compliance with the state's directive.
- **Extend the moratorium on water shutoffs indefinitely.** Everyone deserves access to water. Rate structures exist to ensure that utility costs can be met even if a small number of residents cannot pay on time—Illinois utilities just need to use them. Therefore, the water shutoff moratorium should be extended until the state completes its study on water rates pursuant to Public Act 101-0562, and implements its subsequent affordability plan that accounts for income-based rate structures where feasible and a permanent moratorium on water shutoffs in areas with identified vulnerable populations.



- **Waive late fees, collections, and repayments for one year following the end of the emergency declaration.** Direct all water utilities to waive late fees, interest, and related charges; suspend the use of liens (including lien sales and enforcement of liens) as a collection practice; suspend reporting of unpaid bills to any consumer reporting agency and the sale of unpaid receivables to private collection agencies; and provide extended repayment plans after the crisis.
- **Provide ample notice to customers.** Water utilities should take steps to inform customers of these new policies, including through: 1) general publicity in the appropriate language for the community; 2) a mailer to the last known occupant of any residence that was shutoff; and 3) prominent information in customer bills concerning the extended repayment options, late fee waivers, and other changes in collections practices.
- **Fund water service reconnection (\$2 million).** All Illinois residents should be safely reconnected to drinking water without fees as quickly as possible. Reconnection efforts should be proactive, without requiring customers to make a specific request. Local municipalities will need technical guidance and financial assistance to restore water services to disconnected households. Flexible funding such as Community Development Block Grants could support this activity. A supplemental memo on this topic is attached.
- **Provide immediate, direct bill payment assistance (\$20 million).** State assistance should be made available to directly pay the water and sewer bills of low-income individuals and households, and individuals affected medically or financially by COVID-19. This will forestall shutoffs and help ensure utilities receive an infusion of operating revenue. We realize that this initial \$20 million investment will not meet the total needs of all individuals who require assistance; therefore, the state should also undertake a study to determine the full need, and propose and implement a plan that meets this broader need.
- **Supply bottled water to residents in need.** Water reconnection is going to take time, and people need access to drinking water now. Funding should be made available for bottled water as a necessary stopgap. Flexible funding such as Community Development Block Grants could support this activity, as could some emergency management programs and a concerted effort to secure donated supplies. Proof of need should be required, but not onerous.
- **Provide guidance to and fund local units of government on immediate hygiene options (\$2 million).** Without access to water, households are increasingly vulnerable to contracting infectious diseases, including COVID-19. Temporary hygiene stations are frequently provided after events such as tornadoes, and could be deployed here. But with proper social distancing measures in place, families in need of a private space for bathing should be able to access currently shuttered park facilities, gymnasiums, and other facilities. Many of these are controlled by local units of government, and with appropriate guidance and grants for materials, they could rapidly establish bathing areas. Improving hygiene conditions in prisons and other institutional settings could be handled similarly.
- **Continue to ensure compliance with drinking water, stormwater, and sanitary sewer laws and regulations, applying “heightened expectations.”** As the U.S. Environmental Protection Agency has recognized, “Having fully operational drinking water and wastewater services is critical to containing COVID-19 and protecting Americans from other public health risks,” and



water systems have a “heightened responsibility to protect public health” during the COVID-19 crisis. Therefore, Illinois should continue to ensure that water utilities are complying with applicable laws and regulations designed to protect public health, including through its enforcement powers to investigate and remedy non-compliance.

- **Enable county and other emergency responders to provide immediate assistance to community members facing flooding and sanitary sewer risks**, including those living outside of designated floodplains (i.e., communities with chronic urban flooding problems due to inadequate and/or failing infrastructure), with a direct route for residents to trigger such assistance. Assistance could include deployment of emergency pumps in systems that lack adequate, functioning pump capacity, and/or rapid response clean out of blocked sewer drains and drainage ditches.
- **Create workforce programs to supplement and fill gaps in governmental emergency response to flooding and sanitary sewer problems**, such as community-based teams to do sewer drain and/or drainage ditch cleanouts. Such programs should provide any necessary COVID-19 prevention training, as well as protection for participants from liability that might arise from increased COVID-19 risks attached to their work.
- **Create enhanced protocols for emergency response to non-COVID disasters that address COVID risks from the responses themselves**. Such protocols should include additional COVID PPE training and equipment for frontline responders to non-COVID disasters, as well as additional plans for temporary housing of individuals displaced from their homes due to non-COVID disasters, including focused COVID testing of individuals in such temporary housing.

Utilities also need relief in the form of revenue and staffing. Water utilities are anticipating substantial revenue declines. Small water systems operating with lean staff may face staffing shortages as employees fall sick and have to stay at home.

To address these problems, we recommend:

- **Ongoing and flexible funding assistance to utilities**. It’s too early to know the long-term effect of the pandemic on water utility revenues and operations, but right now revenues are down, and many utilities are struggling to meet staffing needs. Loss of revenues may result in delayed capital investments, which could lead to inefficient operations and other problems. The State of Illinois should closely monitor this situation and determine necessary assistance to water utilities as the toll of the crisis becomes known. It is important to ensure that federal and state resources are used to maintain employment levels, invest in better system performance, and maintain or achieve compliance with applicable federal and state standards for drinking water, wastewater and stormwater, with an emphasis on protecting the most vulnerable communities.
- **Protect utility workers**. Funding for necessary personal protective equipment should be made available to water utilities and related workers, who are keeping our water supplies safe and our sanitary systems operating. Additionally, all public and private water utilities that seek state funding should be required to join the Illinois Water/Wastewater Agency Response Network, so



that critical operations, regulatory compliance, and public health can be ensured even in times of staffing uncertainty.

- **Coverage for testing costs for public water and wastewater utilities.** To ensure that water reconnections are done safely, municipal water utilities may need additional funding to test homes for bacteria and contaminants following reconnection. Additionally, increasing evidence suggests that wastewater effluent can be used to determine COVID-19 prevalence and extent, but the costs of that testing are above and beyond the responsibility of individual utilities and should be borne by the federal government or the State.

While we encourage the aforementioned relief, **financial assistance should not be provided to utilities without condition.** At a minimum, we recommend that the following conditions be met:

- Utilities serving disadvantaged communities must be prioritized for financial assistance, and their participation ensured.
- To be eligible, utilities must comply with all of the consumer protections identified in other sections of the letter (e.g., extended shutoff moratorium, reconnections, waiver of late fees, etc.)
- Utilities receiving COVID-related relief or exercising terms allowing for loan forgiveness related to the COVID emergency must extinguish arrearages of residential customers incurred after February 1, 2020, up to the amount of such grant or loan forgiveness.
- Water utilities receiving COVID-related financial assistance shall, within 60 days after the state government has declared the emergency over, report how many homes were subject to the reconnection requirement, how many were actually reconnected, how long that water had been shut off, and how many became shutoff-eligible but were not disconnected during the COVID crisis.
- Water, wastewater, and stormwater utilities receiving relief funds should be required to report the number of customers currently (as of that time) in arrears and cumulative dollar amount of those arrears, by customer class; and declines in billing and revenue during the emergency, by customer class (including residential, commercial, institutional, and industrial);
- Utilities receiving COVID-related financial assistance shall report on existing water and sewer rates by customer class (including residential, commercial, institutional, and industrial) and, within 12 months after the state government has declared the emergency over, submit a feasibility study on alternative rate structures that would promote affordable service for low-income households, including but not limited to income-based rates and inclining block rates.

Ensuring access and affordability

We need to ensure that our water infrastructure is better prepared for future shocks like the one we're facing now. This involves investing in infrastructure and restructuring how we fund our water systems. Action items include:

- **Increase transparency on water affordability, and shutoff/reconnection policies.** Require public water utilities to report their efforts to ensure that water and wastewater rates are affordable to the lowest-income households in the utility's customer base. Additionally, utilities should report their policy on shutoffs and reconnections, as well as actual figures on these

outcomes, to the Illinois Environmental Protection Agency (IEPA) in their annual consumer confidence report. In concert with utility data collection and reporting, IEPA should also be required to collect, compile, and publish this utility data in its own separate report. The state should also expand annual reporting requirements of water utilities to include existing water and sewer rates by customer class (including residential, commercial, institutional, and industrial).

- **Rate and revenue restructuring.** Funding should be made available to support rate and revenue restructuring, so that utilities have adequate funding and every resident has access to safe water and functioning storm/wastewater service regardless of income or ability to pay. Funding should be made available for:
 - **Statewide study of water rates in Illinois (\$636,000, or \$318,00/year for two years).** In accordance with Public Act 101-0562, \$318,000 per year should be appropriated for two years to the University of Illinois to complete a study on water rate-setting in Illinois. Funding this study will allow the state to devise data-informed solutions to water rate unaffordability.
 - **Technical assistance to design and implement tailor-made solutions.** Differently situated utilities will require different rate, revenue, and organizational structures. Designing a solution that works for any given utility may require specialized knowledge. Grant funding should be made available for low-income utilities to hire or contract necessary expertise. This grant funding could be administered through the State Revolving Fund programs.
 - **Permanent low-income rate assistance program.** No resident should be without water services. A low-income rate assistance program, perhaps modeled on the Low-Income Home Energy Assistance Program, would help guarantee water access for all. With low-income rate assistance measures also moving at the federal level, the state also should affirmatively advocate for and coordinate with these investments as well.
 - **Income-based rate setting.** In addition to the aforementioned immediate need for a low-income rate assistance program, the state should also explore long-term solutions to water rate unaffordability. One particular solution could be the creation of an income-based water rate structure where the rate payer's ability to pay is taken into account from the onset, and subsequent bills reflect ability to pay as opposed to only accounting for consumption.
 - **Regionalization support for utilities that can demonstrate equitable and sustainable results.** Many water utilities in Illinois are severely capacity-constrained, and serve populations that already struggle to bear the costs of running those utilities. The ability to provide water affordably, maintain system performance, and meet regulatory requirements suffers as a result. Utilities with more diverse ratepayer bases can better bear the costs of low-income rate assistance programs, and/or more progressive water rates. State support should be provided to clusters of communities seeking to regionalize water services and demonstrably result in more equitable outcomes across the relevant geographies. IEPA can already support regionalization studies through the State Revolving Fund, but it should prioritize this funding to support regionalization efforts done in the service of building equity.



Long-term economic recovery and resilience through water infrastructure investment and technology innovation

If COVID-19 has proved anything, simply getting “back to normal” is not an option. Water resources infrastructure investment should play a crucial role in recovering from the effects of this disaster and in building our communities’ ability to thrive in the face of both chronic stressors (i.e. racial inequity, climate change, etc.) and acute shocks (i.e. COVID-19, flooding, drought). As of 2018, best estimates indicated that Illinois’ combined water, stormwater, and wastewater infrastructure required \$32 billion in investment by 2040 to meet basic operational requirements. That in itself would be a major victory for Illinois.

Further, investments in water-related technology innovation—research, development, and deployment—should be coupled to drive Illinois’ economic recovery from this disaster and to strengthen our economy and communities’ ability to thrive.

To build a better future, **the state should invest in critical infrastructure systems by:**

- **Ensuring traditional storm/wastewater infrastructure provides the protection it was designed for.** Investment in traditional grey infrastructure—both to convey and treat water—is necessary to ensure clean and safe drinking water; protect homes and communities from chronic urban flooding and raw sewage; and ensure water recreation throughout Illinois is safe from toxic algal blooms due to nutrient pollution and human pathogens from combined sewer overflows. Special attention should be paid to ensuring protections to communities that have traditionally borne the greatest brunt of failing grey infrastructure and that have not received equitable funding and other support for needed improvements.
- **Investing in nature-based stormwater infrastructure to better respond to climate change.** We are about to enter the rainy season in Illinois, which means that flooding is more likely to occur. Financial resources are needed to invest in proven, nature-based solutions that capture and treat stormwater where it falls and lessen the burden on traditional grey (i.e., concrete) stormwater infrastructure. The renewed Illinois Green Infrastructure Grant funding approved in the FY20 capital budget should be appropriated as quickly as possible, and prioritized for projects that both protect and employ the most vulnerable populations in flood prone communities
- **Requiring and supporting lead pipe replacement and infrastructure upgrades to reduce water loss.** Illinois needs approximately \$8 billion to replace its more than 686,000 lead pipes. This effort would be a generational investment in water-related career opportunities for individuals throughout the state, from general labor to trained engineers and financial specialists. It would also eliminate one of the primary lead risks facing Illinois residents—risks that are disproportionately present in low-income communities of color. Beyond the public health imperative to eliminate lead, the basic operations of drinking water systems need massive investment. Much of northeastern Illinois’ water infrastructure is 50 to 100 years old and in dire need of upgrades, repairs, and replacement. Failure to act will result in water main breaks, collapsing infrastructure, and drinking water contamination.
- **Prioritizing water resources workforce development.** A forward-looking investment in workforce development with an eye toward racial equity can be an important piece of economic recovery while ensuring local labor capacity is available to meet water needs. As the current

water resources workforce ages, this will create opportunities throughout the state for a new wave of career professionals, more reflective of their communities, in positions that can start whole families on a path to building intergenerational wealth. One immediate opportunity is the Illinois Clean Water Workforce Pipeline Program, [authorized by a bill passed during the 2019 legislative session](#), which could provide grants and programming to train marginalized residents in water infrastructure trades. With the assistance of this new program, Illinois residents would be trained through water sector-related apprenticeships for jobs available throughout Illinois in the fields of drinking water supply, wastewater treatment, and stormwater management. The program would specifically support a diverse workforce and train foster care alumni, returning citizens, and those from environmental justice and low-income communities.

- **Protecting people’s homes from the next pandemic, storm, heat wave, etc.** COVID-19 has disproportionately impacted people of color and low-income Illinois families. Our economic recovery strategy should center on making them whole and addressing long-standing housing and infrastructure needs. One of the first steps should be to ensure that affordable homes are healthy and resilient, by making state investments in community-driven, comprehensive home assessment and retrofit programs. These should assess and implement simultaneous water, energy, and health upgrades in homes and buildings. Households that are burdened by the cost of water are also energy burdened—and typically live in inefficient, unhealthy homes. It is critical to treat these homes comprehensively, to help families with all of their needs. Water utilities should collaborate with gas and electric utilities on both their affordability and efficiency program. With a smart strategy, this would also support and grow hundreds of small, local, minority-owned firms specializing in specific retrofit technologies, providing a major boost to efforts to catalyze a new generation of water resources and other professionals in wealth-generating careers.

Illinois must do more to fuel water technology innovation, which can drive powerful benefits for both the economy and the environment. Illinois has all the assets to build a powerful cluster of water technology innovation that should be a pillar of our clean tech economy: research universities, startup supports, capital, major companies’ headquarters. The State should fuel this growth through:

- **Innovation grants.** Create a small grants program (\$50,000) to test and evaluate promising new technologies that move toward specific water priorities for the state: better methods of stormwater management, lead service line detection and replacement, leak detection, water quality monitoring, etc.
- **An Illinois-based venture capital fund** with a specialized focus on clean tech and water tech industries. Nevada offers a compelling example by supporting early-stage investments across growth industries, including water.
- **Proactively provide State match for new and existing federal initiatives**, such as the U.S. Economic Development Administration’s [Build To Scale Blue Economy Industry Challenge](#), which could help launch a water technology manufacturing cohort for Illinois.
- **Charge and support the Illinois Department of Commerce and Economic Opportunity (DCEO) to coordinate water-resources innovation and investments.** DCEO would work across environmental agencies, universities, industry, regulators, and lawmakers across multiple levels of government to support more effective innovation policies. A statewide water innovation offices can serve multiple functions, including:



- Examining the continuing role of innovation in promoting sustainable water management;
- Identifying and promoting best management practices, including appropriate pricing policies, for promoting innovation;
- Collecting and publishing relevant water resources data, which are essential to effective evaluation of new water technologies; and
- Encouraging and facilitating cooperative funding and development of new technologies among multiple water entities, by, in-part, expanding public–private partnerships.

Projecting the economic benefits of water resources investment

We understand that some of these projects carry large price tags. To offset that cost, **we urge the Governor’s office to actively advocate for water infrastructure investment in any forthcoming federal stimulus bill.** Other states in the Great Lakes regions would likewise benefit from similar programs. For example, Ohio and Michigan both have significant inventories of lead service lines. Rallying their voices to this cause would be especially valuable. The Council of Great Lakes Governors and the recent Midwest state-to-state pact on COVID-19 recovery serve as tailor-made vehicles for this joint advocacy.

Because of the long-term economic benefits, investing in these water infrastructure projects should be an essential component of any stimulus program.

Studies consistently show that water infrastructure investment is a major economic boon. For every billion dollars invested in the infrastructure recommendations above, significant returns can be expected:

- [One conservative estimate for the Chicago area](#): 5,000 jobs and 8 percent growth in GDP
- [A moderate estimate](#): 9,900 jobs and \$1.44 billion
- [On the higher end](#): 16,000 jobs and \$1.64 billion in economic activity.

What does this mean for Illinois? Using the above figures:

- Replacing all lead service lines in Illinois: **40,000 to 140,000 jobs** and **\$10.4 to \$13 billion** in economic activity.
- Fully addressing the broader (and separate from lead pipe replacement) \$21.5 billion in needed drinking water infrastructure repairs: **120,000 to 420,000 jobs** and **\$28 billion** in economic activity. Investment in stormwater and wastewater infrastructure would yield similar results.

These figures only account for jobs supported and GDP growth—they don’t measure things like financial savings from improved health and secure livelihoods, which are substantial. For instance, the Environmental Defense Fund estimates that [every lead service line replaced yields up to \\$22,000 in reduced costs associated with cardiovascular disease deaths](#). This represents one of the many healthcare and social benefits to be gained by investing in water infrastructure.



In addition to these massive projects, **investing in water infrastructure can be much simpler and put people back to work quickly.** For instance, maintaining green stormwater infrastructure often involves work such as basic landscaping and trash removal. Reducing flooding and raw sewage risk can involve deployment of emergency pumps. These are immediate opportunities to employ and pay people for a day's work—but they are also not regularly done. One of the primary reasons for localized flooding is pipes clogged by litter and debris that accumulate over time. By funding these widely accessible, immediate workforce relief measures, we are also creating pipelines for long-term careers in stormwater management and in-home flooding prevention.

Conclusion

Ensuring affordable access to water infrastructure has both immediate implications and longer term impacts. Investing in our water infrastructure is a smart way to put our state back to work. This crisis has demonstrated over and over again that our failure to address known problems —whether located in healthcare, income distribution, or infrastructure—makes it extraordinarily difficult to cope with any unanticipated problem. Since water is the basis of industry, commerce, and life, we owe it to ourselves and to future generations to ensure it can flow freely even in the midst of a crisis. By taking the steps identified above, we will make major progress toward that goal—and reap substantial long-term economic rewards.