



Chatham County, NC

Legislation Text

File #: 20-3485, **Version:** 1

Vote on a request to approve an amendment to the Chatham County Water System Operating Policies to provide the County Manager certain authorities during declared states of emergency

Action Requested: Vote on a request to approve an amendment to the Chatham County Water System Operating Policies.

Introduction & Background: During the current COVID-19 event, a state of emergency was declared state-wide. Subsequent to the emergency declaration, the Governor issued an order to publicly managed utility systems, which instructed public water utilities to ensure all residential customers have access to potable water services irrespective of the customer's account status. Public water utilities were to suspend the disconnection of water services and allow the reinstatement of previously disconnected water services without requiring utility accounts to be paid in full, and further included the waiving of any reconnection charges and late fees until such time the state of emergency is rescinded.

Many municipal water utilities across the state enacted these measures in advance of the Governor's orders to do so. Some jurisdictions effectuated these measures pursuant to policies that had been previously adopted. In consultation with the UNC School of Government, other jurisdictions took these actions in the absence of supporting policy. The School of Government's guidance allowed for such action in the absence of authorizing local policy owing to the nature of the emergency and in recognition of the critical needs that would be provided for by such timely action. While the School of Government's guidance recognized the severity of need for taking measures outside of existing policy, the School's guidance further instructed these jurisdictions to amend existing policy to specifically account for the actions taken. In so doing, future events requiring timely measures such as these to be put into place could be conducted without local policy conflicts.

The Chatham County Water System Operating Policies, which are adopted by the County Board of Commissioners, do not presently contain language authorizing the County Manager to take these measures during declared states of emergency. The proposed amendment seeks to include language that does authorize the County Manager to take actions herein described during declared states of emergency.

Discussion & Analysis: The applicability of the proposed amendment to the County's Water System Operating Policies is narrowly defined and confined to states of emergency that are declared by or on behalf of Chatham County. The proposed amendment does not compel the County Manager to take measures as authorized by the proposed amendment; but rather, enables the Manager to take such timely action as may be necessary to promote the health, safety and welfare of the general public during times of extreme circumstances.

How does this relate to the Comprehensive Plan: Fostering a healthy community as well as becoming more resilient by mitigating, responding and adapting to emerging threats are both stated

objectives of the Chatham County Comprehensive Plan. The proposed amendment enables timely response and ability to adapt to emerging threats where potable water supplies are critical in the promotion of public health.

Budgetary Impact: The proposed amendment has no immediate budgetary impact on the County's operating or capital budget. However, adverse revenue impacts may be anticipated to some degree in the event the proposed amendment were approved and then implemented during a state of emergency. This impact could manifest in two ways. The initial potential budgetary impact would be realized on some level if utility customers defer monthly utility bill payments for a period of time, but bringing their accounts to current at some point in the future. This impact represents a potential short-term revenue dip followed by a revenue upsurge and ending with a leveling of revenue with no long-term impact. The immediate impact during the downward slope of revenue may present cash flow challenges for a period of time if deferring utility payments becomes a widespread behavior throughout the customer base. The second, more long-term, budgetary impact would be realized if the customers who defer utility payments are unable to bring their account balances to current, even if payment plan assistance is available. This could result in lost revenue that is unrecoverable, less the deposits held for each account. The magnitude of this long-term budgetary impact will be dependent on how widespread this scenario becomes throughout the County's utility customer base.

Recommendation: Approve the proposed amendment to the Chatham County Water System Operating Policies to provide the County Manager certain authorities during declared states of emergency