

PROFIT OVER PEOPLE:

The Injustice of Aqua NC's Sewer Shutoff Policy

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Most of us take the ability to flush the toilet for granted, without considering how vital the safe disposal of human waste is for the protection of our health. For homes without individual septic systems, residential sewer lines typically carry waste away from the home, usually to a treatment plant operated by a local utility. Many are owned and operated by local governments, which exist to *serve the public*, but some are owned by for-profit businesses trying to *maximize their bottom line*. The billing and shutoff policies of privatized sewer service provider Aqua North Carolina show just how ugly it can get when a private company intent on maximizing profits gets into the business of providing this essential service.

Like any utility service, sewer can occasionally be shut off to residences with unpaid bills, leading to potentially unsanitary and unsafe conditions in the home. If a customer of a municipally-owned sewer system gets their sewer service cut off for non-payment, they are typically charged a reconnect fee, in some cases a delinquency fee, and any back bills owed. For example, a customer of Charlotte Water is charged a \$58 delinquency fee, and then a \$39 reconnect fee¹. The town of Chino Valley, AZ charges \$50 to reconnect, plus a new deposit, for a total reconnect fee of \$64.14². It is easy to see how even these charges may seem mountainous to someone who had enough trouble paying their bill that their sewer service was shut off in the first place.

In contrast, **an Aqua North Carolina private sewer customer who has their sewer service terminated for nonpayment could end up owing as much as \$1000 to get their service restored.** How could there be such a large discrepancy between publically and privately owned systems? For starters, Aqua subcontracts out many aspects of their services. The reduction of the workforce and contracting out of staff functions is a widely documented practice of private water and sewer companies. One survey of private contracts found that the utility staff is cut by an average of 34% when a private water corporation takes over³. This lets them increase profit margins by avoiding paying wages and benefits directly to employees, while adding another layer of difficulty for customers trying to get their needs met.

In NC, Aqua's payment services – both phone and online – are contracted out to different vendors, such as NOVO1 for after-hours customer service calls, or Speedpay (owned by Western Union). These companies' customer database systems and Aqua's are not directly linked, meaning that even if funds are subtracted from a customer's bank account on Monday, this payment may not register in the Aqua customer database system until sometime on Tuesday. If, in this example, Monday is the final deadline, a shutoff order may still be generated even if the bill has been paid on

¹ Phone conversation, Charlotte Water customer service representative, October 13, 2015.

² Phone Conversation, Town of Chino Valley city employee, on October 8, 2015.

³Water Privatization: Facts and Figures. Retrieved November 4, 2015 from <http://www.foodandwaterwatch.org/insight/water-privatization-facts-and-figures>.

Sewer shutoffs take their toll on NC residents

Elva, an older woman with chronic health problems, lived alone near Charlotte. Suffering from Grave's disease, high blood pressure, and diabetes, she needed to be able to take several medications. She had struggled to pay recent bills, but when her sewer service was shut off and raw sewage began backing up into her home, she was beside herself. Elva had recently wrecked her car and could not walk to any public transportation to get to a place with clean restroom facilities in order to take care of herself. She knew she had paid some recent bills but was overdue on at least one. When she called to get her service restored, Elva got another bill from Aqua including the \$650 Elder Valve fee, and was told her only option was to set up a payment plan.

Barry¹, a Union County man fighting cancer and several other ailments, was inside when one of his kids noticed some men in the yard. Outside he saw four men, two digging in the yard with shovels, one standing with a rake and one watching them work. None of them wearing names of the business they worked for. ... when he asked what they were doing, they pointed at a yellow door hanger he hadn't noticed lying in the ground near the front door. It was a notification from Aqua that his household sewer was being disconnected. Barry told the supervisor the bill had been paid, but he said, "Not according to our records." The bill had been paid, but when Barry called Aqua customer service, they were not able to verify the confirmation number he had written down!

time, because the payment doesn't register until the following day. This *may* be prevented if the customer also calls Aqua directly to let them know they have made their payment, but even this does not always prevent the shutoff!



Once an order to disconnect is generated, a contract crew comes to the residence to dig up the sewer line and install an Elder Valve (*pictured*) – a rubber stopper that causes the sewage to back up into the house if the toilets are flushed. The manufacturer's website lists \$70-150 as the price range for installation, **yet Aqua NC claims they can charge the customer whose sewer service is being shut off \$650-\$2200 for the installation cost!** Residents who have already had the bill deducted from their bank account but the company has not registered in their system are out of luck - the contractors are under strict orders to continue with the Elder valve installation, regardless. At least two customers⁴ have filed complaints with the NC Utilities Commission for this exact scenario – their sewer was shut off and they were charged \$650 for Elder Valve installation [*see sidebar*]. Aqua eventually waived these fees before the cases went to hearing, but this appears to be part of their strategy – **to keep charging the exorbitant fee on the correct assumption that few people will mount the battle to fight it.** Charging the fee even when someone has paid their bill is egregious, but even charging that amount when service is shut off for good reason is entirely unreasonable.

Making generalizations about the use of Elder Valves by county or town-owned systems is hard, given their sheer number. Yet it is worth noting that the town of Chino Valley, AZ (mentioned above) also installs Elder Valves, but there is NO fee for installing or removing that piece of equipment, much less at \$650 one. How can Aqua NC justify the discrepancy between how they treat customers who struggle to pay for this essential service and how a typical local government would treat the same people? It's hard to imagine a primary driver other than the continual quest for profit.

⁴ NC Utilities Commission. Dockets # W-218 sub 330 and W-218 sub 334. Retrieved November 4, 2015 from <http://starw1.ncuc.net/NCUC/portal/ncuc/portal.aspx>.