

Water Affordability Needs Assessment Listening Session Summary

Nonprofits, NGOs, & CBOs

Session 1 - Capturing the Extent and Impact of Water Affordability to Households and Utilities | March 28th, 2024

Background and Introduction

In the [Infrastructure Investment and Jobs Act of 2021](#) (IIJA), Section 50108, [42 U.S.C. 300j-19a], Congress directed the U.S. EPA to produce a Water Affordability Needs Assessment Report to Congress. In producing the report and as directed in Section 50108 of the IIJA, EPA gathered stakeholder input from a diverse group of experts in the water affordability field, including utilities, associations, academia, nonprofits, community-based organizations (CBOs), advocacy groups, and the public. These stakeholders included experts who have spent decades working to address water affordability challenges across the U.S.

In March and April 2024, EPA hosted two series of targeted Stakeholder Listening Sessions, each series consisting of three sessions. One series focused on gaining perspectives from water associations and utilities, while the other focused on feedback from nonprofit and advocacy communities. EPA invited participants from water utilities and associations, including rural advocacy associations, as well as select nonprofits, non-governmental organizations (NGOs), and CBOs, to participate in these sessions. EPA provided the stakeholders with background on this report, solicited feedback from stakeholders on proposed data sources and EPA's data analysis approach, enlisted stakeholder assistance in case study development and review, and discussed recommendations for addressing affordability challenges nationwide.

This document summarizes the first listening session for invited participants from select nonprofits, NGOs, and CBOs which was held on March 28, 2024.

The purpose of this first listening session was to provide an opportunity for nonprofits, NGOs, and CBOs to hear an overview of the Needs Assessment Report and share their feedback. Specific session objectives included:

- Review the background on the Water Affordability Needs Assessment Report.
- Highlight resources and tools to be included in the report.
- Request case studies from participants that highlight water affordability in their communities.
- Preview the Session 2 topics of affordability definitions, benchmarking, and data.

Important Aspects of Water Affordability

Ellen Tarquinio (U.S. EPA) opened the session by welcoming participants and inviting them to use the meeting chat to share their responses to the question, “What is the most important aspect of water affordability that you want to see captured?” Attendees noted the following concepts as the most important aspects of affordability to them:

- Consideration of affordability for the lowest income consumers and affordable water services for every community, supported by a federal low-income water assistance program.
- Addressing residential shutoffs and ensuring that the lowest-income households are treated with dignity and respect in providing service.
- That utilities have some way they can fund the effective, safe, and efficient management of the water system even if customers are unable to pay enough to cover the cost of service.
- Ensuring data gathered and used in the report is of sufficient quality and representative of all sizes of utilities across the U.S.

Water Affordability Needs Assessment

Ellen Tarquinio then provided an overview of the scope of the Water Affordability Needs Assessment Report. Key highlights from her presentation are as follows.

- The EPA was directed by Congress to conduct this needs assessment and provide an understanding of the impact of the water affordability burden felt across the U.S. among households and utilities, as directed in the IIJA, Section 50108. IIJA also requires EPA to recommend methods for increasing affordable access to water services.
- The Water Affordability Needs Assessment is focused on providing a national picture of the impact of water burden on households and utilities.
- The direction for the Needs Assessment can be viewed in three components:
 - The first component of the report examines the percentage of utilities that serve a disproportionate percentage of households that qualify as high water burden or the percent of utilities that have taken on an unsustainable level of debt due to large customer arrearages.
 - The second component focuses on examining the definitions of ‘affordability’, ‘lack of access to affordable water’, and number of households impacted by high water rates. Further direction recommended an analysis of the size of arrearages, disconnection rates and fees, and tax lien data.
 - The third component explores the scope and extent of water affordability challenges in the U.S. and requires EPA to provide recommendations, including program costs, associated with addressing this challenge.

Facilitators then invited participants to ask questions about the scope of the Needs Assessment. Highlights of the participant discussion and EPA responses are as follows.

- *Multiple Pathways to Achieve Affordability.* In addition to exploring ways to address the affordability challenges through ratepayer assistance, EPA intends for the report recommendations to include other potential tools to meet the needs of water utilities. These might include equitable rate structures, using capital funding to reduce revenue requirements, etc.
- *Affordability for Renters.* Ideally, the report will include an examination of the impact of water affordability on renters; however, data in this area is challenging to find. EPA encouraged participants to reach out with any resources or recommendations for how to research this topic.
- *Accessing Non-Publicly Available Data from Water Utilities.* EPA will not attempt a compilation of data from all utilities in the U.S. Publicly available data will be drawn on to the extent possible, and utilities and associations are encouraged to voluntarily share their data.
- *State-Level Policies to Address Affordability.* The report will not address state-level policies and efforts to address affordability, such as state-level customer assistance programs. EPA is focused primarily on national recommendations. The report will not include recommendations on how states should address water affordability.
- *Approaches for Measuring Affordability.* The report will not produce a new definition for water affordability; instead, it will summarize recommendations from many different sources on the criteria that could be used to define it. EPA is interested in input from participants on how to capture the impact of the cost of water on households.

Engagement Approach

Ellen Tarquinio (U.S. EPA) then provided an overview of EPA's approach to engaging with key stakeholders. Key highlights from her presentation are as follows.

- EPA plans to rely on existing data sources to develop this study, such as the Low-Income Household Water Assistance Program (LIHWAP) assessment, EPA's other needs assessments/surveys, several state surveys and rates dashboards, Census household datasets such as the American Community Survey, utility-specific water rate data, financial reviews, and input from stakeholder partners.
- The report will also mention affordability definitions and criteria used by states in the Clean Water and Drinking Water State Revolving Fund programs, Financial Capability Assessment Guidance, commonly used definitions by industry groups, as well as stakeholder input.

Facilitators then invited participants to ask questions about the engagement approach. Highlights of the participant discussion and EPA responses are as follows.

- *Lessons Learned from Other Programs.* A participant encouraged EPA to reach out to state agencies that implemented LIHWAP, and customer action agencies that implemented the Low-Income Home Energy Assistance Program (LIHEAP).

- *Facilitating Joint Conversation.* In response to a participant suggestion, EPA indicated that as they continue working on recommendations, they will plan to organize some smaller focus groups to supplement these listening sessions and ensure that many perspectives are heard.

Existing Resources/References/Case Studies

Jean Ray (U.S. EPA) provided an overview of the resources and references that will be utilized in the report. Key highlights from her presentation are as follows.

- The report will build on the vast amount of research and resources that have focused on addressing water affordability. The intent is to leverage existing datasets, while filling gaps in particular areas such as disconnection fees and rates, rural areas, and small systems. There are limitations to utilizing this approach rather than conducting a full survey. The identification of these gaps will set the stage for future research.
- By engaging with stakeholders early and throughout the report and assessment, EPA intends to incorporate expert advice to provide informed recommendations and an informed analysis approach.
- An important part of this work is ensuring that this report and all of the work EPA is conducting on water affordability shows the impact of water burden to households, communities, and utilities through case studies. These viewpoints will be a critical piece of the report. The process for case study engagement includes initial conversations with EPA on specific affordability concerns or highlights. EPA will then write up a draft case study with the community providing input and clarifications before reviewing the final case study. EPA presenters invited participants who want to know more about the case study process to contact Melinda Luetke (Luetke.Melinda@epa.gov).

Suggested References

EPA invited participants to share their suggestions for resources that the Needs Assessment should draw on. Resources that participants shared in the meeting chat are listed below.

- [2021 Drinking Water Affordability Needs Assessment](#) (California Water Boards)
- [Addressing links between poverty, housing, water access and affordability in Detroit](#) (University of Michigan)
- [Case Study: View from Detroit](#) (Martina Guzman)
- [Drinking Water Guide](#) (River Network)
- [Navigating Legal Pathways to Rate-Funded Customer Assistance Programs](#) (University of North Carolina)
- [The high health risks of unaffordable water: An in-depth exploration of pathways from water bill burden to health-related impacts in the United States](#) (Sarango et al. 2023)
- [Water Affordability](#) (Elevate)
- [Water Affordability Analyses for Six Michigan Communities](#) (Moonshot Missions)
- [Water Affordability in Northeastern Illinois: Addressing Water Equity in a Time of Rising Costs](#) (Elevate)

- Water as a Public Good (Demos)
- Water/Color: A Study of Race & the Water Affordability Crisis in America's Cities (The Thurgood Marshall Institute at the NAACP Legal Defense and Educational Fund, Inc.)
- Water Equity and Security in Detroit's Water and Sewer District (Haas Institute for a Fair and Inclusive Society at UC Berkeley, MOSES, and Praxia Partners)
- Water Insecurity and Psychosocial Impact (Gaber et al. 2021)

Ellen Tarquinio ended the session by thanking participants for attending and inviting them to return for the second listening session.

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