

Water Affordability Needs Assessment Listening Session Summary

Nonprofits, NGOs, & CBOs

Session 3 - Recommendations to Address Affordability Concerns | April 25, 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 third and final listening session for invited participants from select nonprofits, NGOs, and CBOs, which was held on April 25, 2024.

The purpose of this third listening session in the series was to invite participants to share specific recommendations on how to address affordability concerns, and ways that those recommendations could be incorporated into the Water Affordability Needs Assessment Report. Specific session objectives included:

- Review the Congressional language that directs EPA to produce the Water Affordability Needs Assessment Report.
- Review recommendations that stakeholders have shared during previous listening sessions.
- Highlight specific recommendations for a federal water assistance program.

Listening Session Summary

Ellen Tarquinio (U.S. EPA) opened the session by welcoming participants and provided a review of the Congressional language directing EPA to create the Water Affordability Needs Assessment Report. She then summarized the suggestions that stakeholders had made in previous sessions on topics for further research.

Facilitators invited participants to share thoughts on additional recommended aspects for the report to cover. Highlights of the participant discussion are below.

- *Inflationary Pressure.* A participant recommended analyzing inflationary pressures on solely-water bills compared to combined bills (e.g. bills with other services, such as trash collection and fire protection service).
- *Analysis by Income Quintile.* A participant recommended assessing water cost burden at different income quintile levels, as well as by race/ethnicity.
- *Support for Operations and Maintenance (O&M) Costs.* A participant recommended that EPA should consider recommending direct assistance to utilities to help cover O&M costs.
- *Breakdown of Arrears.* A participant asked if the report would break down arrears by water service (delivery/treatment) versus fees (disconnection/late payment). EPA responded that it may be done to the extent possible, but likely not on a granular level.
- *Variation in Water Burden.* A participant noted that there is significant variation in water rates for the same amount of water usage from one utility to another and suggested that EPA should try not to over-generalize the role of rates in water burden impacts.

Water Affordability Recommendations

Ellen Tarquinio provided an overview of water affordability recommendations that session participants offered during previous sessions. Key highlights from the presentation are as follows.

- A common theme from the recent listening sessions is that participants generally agree that water affordability should be addressed through a comprehensive approach, and not simply through a federal water assistance program. Specific questions for EPA to think about include: How can the problem be addressed holistically? How can a sustainable solution to water affordability be discussed? What is the federal government's role?
- The Environmental Finance Advisory Board (EFAB) has accepted a charge to recommend ways that EPA can help support communities in their affordability efforts. The Board is exploring innovative financial approaches to address water affordability, including ways to lower the cost of capital projects, and analyzing state and local legal barriers to customer assistance programs (CAPs) and how to address those restrictions.

Jean Ray (U.S. EPA) summarized recommendations that stakeholders suggested during previous sessions:

- Enacting a disconnection moratorium, particularly for households that are already enrolled in an assistance program.
- Require utilities to report data such as water rates and shutoffs.
- Characterize the cost of regulations.

- Differentiate between water affordability and water assistance.
- Explore how utilities that have non-water fees on their water bill can participate in a federal program.
- Increase funding for water infrastructure.
- Better characterize the concept of taking on debt "due to" customer nonpayment and highlight challenges securing bonds for utilities that have a significant amount of customer debt expenses.
- Capture the cost of delaying necessary infrastructure projects in an attempt to keep rates lower.
- Incorporate future costs associated with climate change responses (e.g., align climate risk data with data on arrearages).
- Include empirical data about what customers find affordable.
- Ensure that small and rural utilities are included and well represented.

Facilitators invited participants to share thoughts on the water affordability recommendations offered in previous sessions. Highlights of the discussion are as follows.

- *Disconnection Moratoriums.* A participant recommended that EPA consider states that discontinued water shut-offs during COVID-19 and analyze the impacts on revenue and arrearages.
- *Rate Discounts, Debt Forgiveness, Line Repair.* A participant strongly recommended that utility-run assistance programs should include rate discounts, debt forgiveness, and leak/line repair. Done in tandem, these can help address the different aspects of wastewater insecurity.
- *Existing Federal Assistance Programs.* A participant recommended including a discussion of funding programs by other federal agencies (e.g., HUD, DOE, and USDA) that could be used to support water payment assistance.

Long-Term Federal Water Assistance Program

Ellen Tarquinio and Jean Ray provided an overview of federal assistance programs. Key highlights from the presentation are as follows.

- Discussions about water affordability include discussions on the establishment of a long-term, federal water assistance program. Fortunately, there are different models that can be leveraged and looked at to understand how assistance programs are implemented including Low Income Home Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP), and the Low-Income Household Water Assistance Program (LIHWAP).

Facilitators invited participants to share recommendations for a potential future federal water assistance program. Highlights of the participant discussion are as follows.

- *Barriers to Customer Enrollment.* Categorical eligibility can be a helpful tool to reduce burden on households and utilities in enrolling customers in an assistance program (e.g., using data on LIHEAP eligibility to automatically enroll eligible customers into LIHWAP).

Utilities can proactively exchange data with other programs to identify customers who would qualify for LIHWAP, and then enroll those customers without needing them to apply. One participant suggested researching non-LIHWAP customer assistance programs that localities have adopted to examine lessons learned. Additionally, it is helpful to remove unnecessary requirements established by some states such as in person interviews which are additional barriers to participation.

- *Marketing and Promotion.* LIHWAP did not include budget for communications, resulting in some states being unable to do much marketing to promote enrollment. People need to know about an assistance program in order to enroll. States should be required to have a communication strategy to promote the program. There could be value in establishing national guidance for consistency across states in how they conduct community outreach.
- *Renters.* A participant noted that one obstacle to the success of LIHWAP was difficulty in assessing affordability burden among renters whose landlords pay the utility bills.
- *Households Data.* A participant shared that a federal water assistance program is an opportunity to learn more about the characteristics of households with water affordability challenges, such as their water usage levels.
- *Partnership with Local Authorities.* One successful tactic used to implement LIHWAP was reaching out to local governance authorities through direct advocacy and education to encourage them to participate in the program. Local coordination can also assist in data collection and sharing, and increasing enrollment.
- *Assistance with Enrollment.* LIHWAP required utilities to opt in to the program and many utilities were not able to due to their smaller capacities. Having a more universal enrollment method and providing technical assistance to the smaller utilities will help increase the number of utilities able to participate.

Ellen Tarquinio ended the session by thanking participants for attending and inviting them to keep engaging with EPA. Participants were encouraged to send ideas for case studies to Melinda Luetke (Luetke.Melinda@epa.gov) and send any follow-up questions or discussions on data sources and recommendations to Jean Ray (Ray.Jean@epa.gov)