

U.S. Environmental Protection Agency Environmental Financial Advisory Board

Water Affordability Virtual Public Meeting Minutes

January 8, 2025

Location: Virtual

Respectfully submitted by Edward H. Chu, EPA Designated Federal Officer
Certified as accurate by Kerry E. O'Neill, Chair, Environmental Financial Advisory Board

NOTE AND DISCLAIMER: The minutes that follow reflect a summary of remarks and conversation during the listening session. Such ideas, suggestions, and deliberations do not necessarily reflect consensus advice from the Board. Formal advice and recommendations may be found in the final advisory reports or letters prepared and transmitted to the agency following public meetings. Moreover, the Board advises that additional information sources be consulted in cases where any concern may exist about statistics or any other information contained within the minutes.

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Purpose

The U.S. Environmental Protection Agency (EPA) Financial Advisory Board (EFAB or Board) is an advisory committee chartered under the Federal Advisory Committee Act (FACA), 5 U.S.C. 10, to provide advice and recommendations to the EPA on creative approaches to funding environmental programs, projects, and activities.

The purpose of the meeting was for EFAB to discuss and vote on the draft deliverable on the Water Affordability charge. In October 2023, the EFAB accepted a charge from the EPA to provide recommendations on how the agency could support communities in their affordability efforts. The meeting was conducted fully virtual via webcast.

The listening session was announced in the *Federal Register*; see <https://www.govinfo.gov/content/pkg/FR-2024-12-12/pdf/2024-29240.pdf>.

Welcome and Member Roll Call

Tara Johnson | Alternate Designated Federal Officer

Welcome

Tara Johnson opened the meeting and welcomed participants. She explained that this meeting was to discuss the Water Affordability deliverable. For this meeting, the Board would be listening to oral statements and had received one advanced request to provide oral comments. The public was invited to provide written statements during or immediately following the meeting to efab@epa.gov.

Roll Call

Courtney L. Black, present
 Steven J. Bonafonte, not present
 Angela Montoya Bricmont, present
 Matthew T. Brown, present
 Stacy Brown, not present
 Albert Cho, present
 Janet Clements, present
 Lori Collins, present
 Zachary Davidson, present
 Jeffrey R. Diehl, not present
 Sonja B. Favors, present
 Jodi French, present
 Phyllis R. Garcia, not present
 Eric Hangen, not present
 Barry Hersh, present
 Craig A. Hrinkevich, not present
 Uche Isiugo, present
 Thomas Karol, not present

George W. Kelly, not present
 Gwendolyn Keyes Fleming, not present
 Cynthia Koehler, present
 Colleen Kokas, not present
 Joanne V. Landau, present
 Sarah Margaret Lee, present
 Lawrence Lujan, present
 Kerry O'Neill, present
 MaryAnna H. Peavey, present
 Jenny Poreé, present
 Dennis A. Randolph, present
 Sanjiv Sinha, present
 Aaron Smith, not present
 Anna Smukowski, present
 Marilyn Waite, not present
 David L. Wegner, present
 Gwen Yamamoto Lau, present

Workgroup Co-Chairs Introductory Remarks

Cynthia Koehler and Janet Clements | EFAB Water Affordability workgroup co-chairs

Cynthia Koehler began by introducing the report and sharing that the workgroup is very pleased to present the final version of the report. She said that this report was an extraordinary group effort and the workgroup is hopeful that the EPA will move forward with the Board's recommendations. She added that the vote on this report is timely considering the recent release of the EPA's [Water Affordability Needs Assessment: Report to Congress](#).

She noted that while these two reports were not coordinated, the EFAB report reached similar conclusions as the EPA's Water Affordability Needs Assessment Report, including:

- There is no single universal approach that can assess water affordability at a national level.
- The need for both capital investment and operations support outpaces the tools at utilities' disposal currently.

- Addressing local affordability challenges requires that we address how utilities are funded, how rates are set, and how assistance programs are established to support rate payers, as well as consideration of a national water services affordability program which could alleviate at least some of the financial stress faced by households and utilities around the country.

She said the workgroup appreciates that the EPA will evaluate EFAB's recommendations and incorporate them as appropriate.

Cynthia Koehler took a moment to thank her co-chair, members of the Water Affordability workgroup, EPA client staff with whom the group worked closely, and the EFAB chair, Kerry O'Neill.

Janet Clements added that she would like to thank the workgroup for all their efforts. She then opened the floor for any more comments from the workgroup, of which there were none.

EPA Client Feedback

Ellen Tarquinio | Director, EPA's Water Infrastructure and Resiliency Finance Center

Ellen Tarquinio began by thanking all the workgroup members, and Janet Clements and Cynthia Koehler in particular, for their efforts. She appreciated the thoughtfulness of looking at water affordability as a whole, all the different aspects that make that a challenge, and the recommendations of how affordability can be addressed. She said the EPA is excited to highlight this work and showcase all that EFAB has accomplished. She emphasized that she would like to spend time talking about ways to promote the report which would include making a web presence for the report, making sure this report is brought up in conversations about water affordability, talking about the Board's recommendations, and keeping EFAB engaged throughout the process.

Michael Deane | Chief, EPA's Clean Water State Revolving Fund (CWSRF)

Michael Deane acknowledged that he has been involved with the water affordability issue for many years and, from his experience, can say that this workgroup did an amazing job pulling together their research and going above and beyond expectations as well, for example by identifying both problems and solutions. He is excited to consider and accept some of the recommendations, pending the report's approval by the Board. He thanked the workgroup along with all the other stakeholders involved. He concluded by stating how the CWSRF is excited that this report will help the CWSRF reach more communities and be more effective at addressing water affordability issues around the country.

Cynthia Koehler reaffirmed what a privilege it was to work with the terrific EPA staff on this report.

Comments from the Board

Tara Johnson invited the full Board and workgroup members to share comments.

Lori Collins complimented the workgroup on the framework of the report. She said that, given that the report features a lot of information and many recommendations, she found that the way the framework categorized them all at the end was helpful and more manageable to navigate.

David Wegner reiterated what Lori Collins said, adding that it was a great team effort with great leadership. David Wegner directed a question to Michael Deane and Ellen Tarquinio, asking how they

see this report fitting into what they are doing. Additionally, he asked if there were any gaps in the report or any areas the Board should have researched further?

Michael Deane said it was a very comprehensive report and he had not found any gaps yet. He anticipates having more to say about what the next steps will be regarding integrating this report into the work of EPA's Water Affordability Needs Assessment Report.

Ellen Tarquinio agreed that the report was truly comprehensive and that she hadn't identified any gaps either. She stated this report exceeded any expectations they had, including how the report covered so many different aspects of the water sector, beyond just affordability. She said that, in terms of future direction, assuming the Board approves this deliverable, the EPA would consider these recommendations and reach out to the Board about different areas they want to move forward on. She said that they are initially interested in engaging with the Board to implement recommendations to create a customer assistance compendium and educational information around water affordability. Ellen Tarquinio also mentioned they would like to highlight the EFAB report at any other opportunities possible, such as during expert analyses or webinar series.

Kerry O'Neill took a moment to commend the workgroup, the co-chairs, and the EPA staff. She noted this was a big undertaking for the Board over a significant period of time. She emphasized that, in addition to persevering through a large charge, the Board produced exceptional, meaningful, and impactful work. She is looking forward to how the workgroup will continue to partner with their EPA colleagues and how everyone can amplify the report, such as through social media networks, list serves, other communication channels, and more.

Angela Bricmont commented that the work of the workgroup and its leaders will be impactful. She said that they wrestled with the different parts of this comprehensive look at affordability, had tough conversations about the recommendations, and had many discussions about who this would be useful for. Ultimately, both big and small utilities will have a very comprehensive list of opportunities to address affordability challenges. She said this document has existing knowledge, takes it one step further, and puts it all together in one place.

Public Comment

Larry Levine | National Resources Defense Council

Larry Levine began by praising the workgroup that worked on this report and saying how great the final product is. He also appreciated the holistic approach to water affordability issues.

Larry Levine had two main points he wanted to share for the Board's awareness. Firstly, he said that the report notes that some federal legislation was introduced early last year to create a permanent water assistance program. He said that, towards the end of the year, there were two more bills introduced that have more detail about program design. He suggested that some of these efforts line up well with recommendations in the report; for example, auto-enrollment of households that already receive other means tested assistance, making the program available to renters. Larry Levine cited the legislation: [H.R.10150](#) and [H.R.10440](#).

Secondly, Larry Levine brought up the point about income-based rates or, as the report calls them, income indexed rates. He said that it's great that the report recommends that income-based rates be one of the areas for future EPA focus and it's great to see the report's discussion of the advantages of an

income-based rate over a more traditional customer assistance program (CAP). He added that an income-based rate provides a discount that meets people where they are, in terms of their ability to pay, rather than providing a somewhat arbitrary level of discount without regards to whether the discounted bill is actually affordable.

Larry Levine also acknowledged how the report mentions Philadelphia as an example of an income-based rate. He encouraged the EPA to draw on the successes in Philadelphia as the agency develops additional resources for utilities on this topic. He said that the report notes a critique of Philadelphia's program and, by extension, a critique of income-based rates generally, coming from a blog that was posted in 2023. While the blog argued, among other things, that the program has had a low participation rate, Larry Levine shared he was glad to see that the report followed up on that by including how Philadelphia has significantly increased enrollment since then by auto-enrolling customers based on data from other state and federal assistance programs. Larry Levine acknowledged this increase in participation was significant and underscored that they have more than doubled participation just last year in the program through this auto-enrollment method. He said that puts a different cast on how to assess the success of that program, the administrative costs relative to how many people are in it, and the success of reaching people who are eligible. Larry Levine concluded that those updated numbers belie the notion that a Philadelphia-style, income-based rate is too complicated to administer effectively.

Lastly, Larry Levine shared that there was some quantitative analysis done on the benefits of Philadelphia's income-based rates. He indicated that the report doesn't mention this, so he wanted to bring it up here. He shared that, as part of the business case tool that NRDC developed which is mentioned in the report, there was a case study that NRDC developed of Philadelphia program. He said that this case study was based on data from the water utilities rate cases, which shows specifically how that program has improved revenue collection for the utility (quantitative analysis on the benefit side). Larry Levine said that it's important to think about analysis, best practices, resources, and recommendations as the EPA moves forward, so that utilities can draw on that experience on the benefit side of the equation.

Larry Levine concluded his comment by sharing his appreciation for the report. He said that he looks forward to continuing to engage with the EPA and the Board on these issues moving forward.

Tara Johnson reminded attendees that the public is encouraged to submit written statements for the Board's consideration by emailing efab@epa.gov. She explained that any oral comments can also be submitted with supplementary written comments and any written comments received will also be posted with the materials to the EPA's EFAB website.

Final Remarks and Vote

Kerry O'Neill | EFAB Chair

Cynthia Koehler expressed another thanks to EPA staff for their support and the workgroup. Cynthia Koehler agreed with Angela Bricmont that there were challenges, but she really appreciated the authentic and enormous amount of effort that went into this report.

Kerry O'Neill entertained a motion to approve the report. Sanjiv Sinha motioned the vote; Angela Bricmont seconded. The vote to accept the deliverable passed unanimously.

Kerry O'Neill congratulated the workgroup and the Board for finishing up this big charge. She said the next step will be a transmittal letter for the report that will be sent to the agency and it will then be posted publicly on the EFAB website. She said that Tara Johnson would send a note out to the Board when the report is posted publicly so people can promote it.

Tara Johnson mentioned it will also go out in the Water Finance newsletter along with other social media outreach.

Adjourn

Tara Johnson | Alternate Designated Federal Officer

Tara Johnson gave one more thanks to the workgroup co-chairs, Cynthia Koehler and Janet Clements, as well as to all the workgroup members. She then adjourned the meeting.