Water Affordability

Although most people in this country have safe, reliable, affordable, water and wastewater services there are millions of people who do not. Some areas have never had adequate water and wastewater infrastructure. An equitable drinking water system provides all people with access to clean, safe water at a price they can afford. To achieve this, collaboration, and investment by all levels of government, water providers, the private sector, community-based organizations, and others is critical.

National Water Sentinels Facebook page
https://www.facebook.com/groups/103816443590/
Basic Questions - Know Your Utility

- How is water managed in your community?
- What is the driving cost of water?
- Do you pay additional charges for storm water management?
- What are barriers to implementing green infrastructure projects?

Those in poverty pay the most

The cost of delivering water services has risen at three times the rate of inflation while incomes have remained stagnant. These costs are primarily covered by water utility bills, which represent a higher share of income for those in poverty. When families start to fall behind on their bills, the water is shut off.

This problem is made worse by decreases in federal funding for water infrastructure. Spending by states and municipalities has continued to rise. (see figure 1).

Utilities can reduce costs by

- Seeking improvements in efficiency through management tools or infrastructure improvements.
- Leakage reduction from the plant to the consumer.
- Giving landlords an incentive to fix leaks rather than pass the costs along to their tenants.

Ask the utility to:

- Suspend shut-offs for nonpayment
- Order reinstitution of services without fees
- Suspend the collection and credit reporting for nonpayment
- Ask the utilities to address affordability and equity by establishing a fee structure that meets the needs of those in poverty.

Funding Consumer Assistance Programs

A Consumer Assistance Programs (CAP) is a way that utilities should address affordability.

- The UNC Environmental Finance Center has an affordability assessment tool that helps utilities to determine the affordability of rates using census data.
- If a CAP is needed, the next step is determining who is eligible and how it can be funded. Some states do not allow use of rate revenue to fund CAPs while in others, the authority is less clear.
- Some have found ways to work-around existing laws. A review of state laws and case studies can be found in Navigating Legal Pathways To Rate-funded Customer Assistance Programs: A Guide for Water and Wastewater Utilities that was financed by several water utility associations.
- Other considerations are the equitable allocation of costs and a program that customers understand.

The ways to fund a CAP are through the utility rate structure, government transfers or public assistance funds from a community or private foundation.

By encouraging utilities to set up Consumer Assistance Programs Sierra Club can be one of the community leaders working to ensure an equitable future. This is an opportunity to partner with community members on the ground who are already doing water shut off advocacy.