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Congressional Briefing on Water and Wastewater Rate Affordability for Low-Income Ratepayers

Hosted by: Representative Marcia Fudge

May 12, 2016

2:00 pm – 3:30 pm

2103 Rayburn House Office Building

While water service affordability has been a concern for several years, the crisis in Flint, Michigan brought it to light in a dramatic way. A number of recent surveys of wastewater and drinking water utilities throughout the country show that utilities have been increasing their rates at double the rate of inflation for several consecutive years in an effort to keep pace with new environmental compliance obligations and to upgrade outdated infrastructure. These increases show no signs of abating and many utilities are on track to continue increasing rates for the foreseeable future.

As rates increase, utilities serving a significant low-income population often confront affordability challenges as these ratepayers struggle to pay their increasing water and sewer bills. Utilities have deployed a variety of programs to help assist these low-income populations, and there is a growing interest in various types of grant or subsidy programs for these households to provide much-needed assistance. Without assistance programs, utilities often experience high delinquency rates resulting in costly collection programs and corresponding loss in revenue. At the same time, the impacted households face potential loss of water service. As concerns over water affordability issues rise, some are even calling water affordability a new civil rights issue based on the importance of access clean and safe water.

There are a number of legislative proposals to address low-income ratepayer affordability challenges. One is H.R. 4542, the *Low Income Sewer and Water Assistance Program Act*, which creates a pilot program to award grants to low-income households to assist with payment of water and sewer bills. Such federal efforts to address the growing water affordability challenge are critical to ensuring a sustainable path forward for communities to invest in their water and wastewater infrastructure while also ensuring low-income households to not bear a disproportionate financial burden.

Opening Remarks: Representative Marcia Fudge (D-OH)

Panelists:

Julius Ciaccia, Chief Executive Officer, Northeast Ohio Regional Sewer District

George Hawkins, Chief Executive Officer & General Manager, DC Water

Kishia Powell, Director of Public Works, City of Jackson, Mississippi

Eric Rothstein, CPA, Principal, Gelardi Rothstein Group

For more information, please contact Felix Muniz at felix.muniz@mail.house.gov or (202) 225-7032.