Water Affordability
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AMERICA’S WATER CRISIS
America’s Water Crisis

• 14 million U.S. households exceed water affordability guidelines.
  • The EPA recommends that water and wastewater services should not make up more than 4.5% of a household’s income.

• Replacement of outdated infrastructure is driving up the cost of water and wastewater services.
America’s Water Crisis

• Flint Michigan
  • Brought water issues into the public spotlight.

• Ft. Lauderdale
  • Sun Sentinel, May 12, 2017 - Hidden underground: Fort Lauderdale's $1.4 billion sewer and water problem.
  • Sun Sentinel, May 26, 2017 - Burst pipes spew 20.6 million gallons of sewage into Fort Lauderdale’s showcase waterways.
America’s Water Crisis

- According to researchers at Michigan State University, water prices will have to rise 41% in the next 5 years to cover the costs of replacing aging infrastructure and adapting to climate change.
  - This will mean 41 million (roughly one third) of all U.S. households will exceed affordability guidelines.
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More than a third of Americans are at risk of losing affordable drinking water

- Dark blue represents census tracts where median income was less than $32,000 in 2014.
- Light blue represents census tracts where median income ranges from $32,000 to $45,120.

Source: Michigan State University

Source: Elizabeth Mack, Michigan State University
Credit: Sarah Frostenson
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• No law guarantees water access for poor Americans.
• Most financial assistance is left to the discretion of individual utilities.
  • According to the EPA, only 28% of all U.S. water/sewer utilities provide some form of financial assistance to low-income customers.
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• Federal funding for water infrastructure has fallen from more than 60% in the late 1970’s to just 9% now.
  • This means that the cost of repairing and replacing infrastructure is more heavily placed on the backs of ratepayers.
  • In many cities, water and sewer rates have been low for decades and infrastructure was neglected. Now we need to catch up and rates will have to rise rapidly.

• Some cities are looking at restructuring water rates based on income to help low-income Americans.
  • In Philadelphia, a tiered rate structure for customers whose incomes fall at or below 150% of the poverty line is being rolled out in July.
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• Since 2010, water rates in the U.S. have climbed more than 50% on average, according to a survey of water rates in 30 large U.S. cities (source: Circle of Blue).

• There is no end in sight as to when prices will stabilize. This will have a disproportionate impact on low-income customers.

• Many water utilities are also strained by other factors such as shrinking customer bases (e.g. Detroit) and falling water use (conservation).

• Civil engineers estimated the price tag for overhauling America’s drinking water system will be at least $1 trillion over the next 25 years. This means a serious water affordability crisis is looming.
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THE PRICE OF WATER: 2015
Combined water, sewer and stormwater prices for households in 30 major U.S. cities.

- Water prices in 30 major U.S. cities.
- Atlanta leads the nation with the most expensive monthly bill at $326 on average.
  - Source: Circle of Blue
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Water prices continue to climb in 30 major US cities

- Prices represent average monthly cost for water only for a family of four using 12,000 gallons of water per month.
  - Note: Sewer and Stormwater fees are not included.
  - Source: Circle of Blue

Source: Circle of Blue
Credit: Sarah Frostenson

Source: Vox

Source: KCWATER