

# Working Toward Safe, Affordable Water Service

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# Philadelphia Water Affordability

- Background
  - CLS Energy Unit
    - Individual Representation
    - Group Representation
    - Policy Advocacy
    - Public Advocate
  - Water Revenue Assistance Program (WRAP)
  - City Council
    - Real estate tax – owner occupied payment agreements (OOPA)
    - Water Debt

# Philadelphia Water Affordability

- City Council Bill 140607
  - Placeholder modeled on OOPA – provided for repayment of water debt with repayments calculated as percentages of income.
  - CW Sanchez and staff interested in input on how to best remedy high water debts.
  - Consensus emerged that the bill should provide affordable water bills and address arrears.
    - Spoiler Alert: arrearage forgiveness has not been embraced (yet).

# Philadelphia Water Affordability

- Goals for legislation:
  - establish household income levels for program participation;
  - determine how affordable bills would be calculated;
  - integrate program participation with conservation efforts;
  - separate pre-program water debt from current bills;
  - establish an arrearage-forgiveness component;
  - eliminate administrative barriers to enrollment in current programs;
  - ensure access to information for applicants and participants; and
  - ensure due process rights attach to adverse affordability-program determinations.

# Philadelphia Water Affordability

- Final legislation, passed unanimously and signed by the Mayor, December 2015
  - Low-income = 150% FPL or below
  - Monthly bills “shall be affordable for low-income households, based on a percentage of the household’s income and a schedule of different percentage rates” for the 0-50%, 50-100%, and 100-150% FPL tiers.
  - Schedule of percentage of income limitations to be established by Water, Sewer and Storm Water Rate Board.

# Philadelphia Water Affordability

- Final legislation, cont'd
  - Special Hardship terms (more favorable) may be available
  - Customers may request individual financial assessment (comparing income and expenses) to demonstrate Special Hardship
  - Most affordable rate alternative must be provided
  - Total bill – no addition to arrears – considered timely if postmarked or received within 30 days

# Philadelphia Water Affordability

- Final legislation, cont'd
  - If customer is terminated for non-payment, can restore by:
    - Curing nonpayment -- paying unpaid low-income bills and any amounts assessed while service is off
    - Entering payment agreement
    - Special hardship
  - *“Earned forgiveness of arrearages shall be available under such terms and conditions as are adopted by regulation”*

# Philadelphia Water Affordability

- Final legislation, cont'd
  - Due process protections
    - Written notice and appeal rights
    - “Incomplete” applications
    - Stay, postponement, holds of enforcement actions to allow customer to apply, seek representation or assistance, and upon entry into IWRAP
    - Warning of risk of foreclosure – 90 days before filing any water foreclosure action – includes information regarding legal service agencies and housing counseling agencies
  - Information requirements – customer service, website, LEP, reporting to City Council



# Philadelphia Water Affordability

- IWRAP (rebranded TAP) launches July 1, 2017
- Water Rate Board Approved Income Targets:
  - 0-50% FPL: 2%
  - 50-100% FPL: 2.5%
  - 100-150% FPL: 3%
- Design: Straight PIPP
- 150-250% FPL: total bill of 4% (payment agreement terms = 4% - actual bills)

# Philadelphia Water Affordability

- Earned forgiveness of arrearages:
  - Penalty charges over 24 months, Principal charges over 15 years
  - Water and Revenue Commissioners Decision:
    - “The Commissioners have given serious consideration to the comments provided at the public hearing on this issue and have concluded that modifying this section of the regulations at this time would risk undermining the implementation of TAP.... The Commissioners agree that they will re-evaluate this issue based on the enrollment data obtained during the initial enrollment period and prior to the next general rate proceeding before the [Rate Board].”

# Philadelphia Water Safety

- Philadelphia Water Commissioner: “First and foremost, let me begin by noting that Philadelphia’s drinking water is lead free and that there are clear differences between Flint and Philadelphia.”

- OR -

- “Philadelphia's water-testing procedures are ‘worse than Flint’ – expert,” January 28, 2016, The Guardian
- Who’s Right??

# Philadelphia Water Safety

- Answer: Probably both.
- Water Commissioner acknowledges that lead risks exist, but are on the “customer” side of the system, not the “utility” side.
- But, PWD has been noncompliant with EPA testing:
  - Insufficient Tier 1 sampling, pre-flushing, removing aerators
  - “EPA expects the PWD will modify its homeowner sampling instructions for the next scheduled LCR [lead and copper rule] monitoring period,” EPA’s region III water protection division.
- PWD undertook late 2016 supplemental testing in compliance with EPA sampling instructions; timing may not be ideal (June-Sept acc to EPA rules).
- PWD will conduct 2017 testing during the summer months.

# Philadelphia Water Safety

- New programs:
  - Interest free loans from PWD to replace LSL
  - Free full LSL replacement in connection with main replacement
- New legislation:
  - Tenant disclosure of LSL, lead safety pamphlet, lead warning statements, right of inspection
  - School and daycare water testing

# Philadelphia Water Safety

- Further advocacy for water safety:
  - Identify and publicly disclose the location of LSLs in Philadelphia
  - Right to Know Law versus Pennsylvania Constitutional Right to Privacy
  - PWD “Lead Service Line Database”
  - EPA letter, February 2016:
    - “Work with public water systems – with a priority emphasis on large systems – to increase transparency in implementation of the LCR by posting on their public website and/or on your agency’s website...the locations of lead service lines, together with any more updated inventory or map of lead service lines and lead plumbing in the system.”
  - DC maintains interactive, publicly available map.  
<https://www.dewater.com/servicemap>

# Human Right to Water: International Sources

- **June 28, 2010: UN General Assembly:** “General Comment No. 15”: Recognized “the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights.”
- **September 30, 2010: Human Rights Council:** “Human right to safe drinking water and sanitation is derived from the right to an adequate standard of living and inextricably related to the right to the highest attainable standard of physical and mental health, as well as the right to life and human dignity.”

# Human Right to Water: California

Assembly Bill 685 (Approved 09-25-2012) (excerpt)

(a) It is hereby declared to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

(b) All relevant state agencies. . . shall consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water described in this section.



# Human Right to Water: Beyond State Legislation

The Final Report of the Detroit Blue Ribbon Panel on Water Affordability stated that:

*"In the case of Detroit, at least two factors suggest an expansive view toward DSWD's social responsibilities that would embed affordability considerations within DWSD's mission. First, the right to expect city government to provide safe drinking water and a sanitary environment is included in Detroit's City Charter."*

# Human Right to Water: Detroit City Charter

The Charter of the City of Detroit, Declaration of Rights, states in relevant part: "The people have a right to expect city government to provide for its residents. . . *safe drinking water and a sanitary, environmentally sound city.*"

# Declaration of Findings: Human Right to Water

- The right to safe and clean drinking water and sanitation is a fundamental human right that is essential for the full enjoyment of life and all other rights protected by the U.S. Constitution;
- The human right to water is indispensable for leading a life in human dignity;
- The provision of safe, clean, affordable and accessible water for human consumption is essential to the preservation and protection of the public's health, safety and welfare in the United States;
- The provision of safe, clean, affordable and accessible water for human consumption is essential to the preservation and protection of the physical and financial health and well-being of communities both urban and rural in the United States;
- The provision of safe, clean, affordable and accessible water for human consumption is essential to the preservation and protection of the habitability of housing in the United States;

# Declaration of Findings: Human Right to Water

- The provision of safe, clean, affordable and accessible water for human consumption is essential to the preservation and protection of the health and well-being of workers throughout the United States;
- The provision of safe, clean, affordable and accessible water for human consumption is essential to the preservation and protection of the financial health and well-being of the industry providing water to retail customers in the United States;
- The provision of safe, clean, affordable and accessible water for human consumption is essential to improve the safety and reliability of water supplies.

# Declaration of Policies: Human Right to Water

- It is hereby declared to be the established policy of the United States that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. All relevant Executive agencies, shall consider this policy when revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water described in this Chapter.
- Encompassed within the human right to water are standards of affordability, availability, accessibility, quality, and acceptability, each of which must be met in order to fulfill enjoyment of the right.
- Water must be of good quality, free from micro-organisms, chemical substances, and radiological hazards that constitute a threat to a person's health.

# Declaration of Policies: Human Right to Water

- Water must be of an acceptable color, odor and taste for each personal or domestic use.
- Water must be available in a quantity sufficient to ensure that basic human needs are met, including sufficient quantities for purposes of personal hygiene, cooking and food preparation, and cleaning activities.
- Water must be affordable for all and its cost must not compromise the realization of other human rights.
- Water must be physically and continuously accessible through adequate facilities and services to fully meet personal and domestic needs.

# Income and Water Bills: Philadelphia

	No. of Households	Avg HH Income	Avg HH Water Bill
Total City (Philly)	109,926	\$22,497	\$712
Near Northeast-West	10,371	\$24,890	\$863
Near Northeast-East	16,373	\$22,450	\$754
North	10,117	\$21,475	\$634
East	32,781	\$24,358	\$596
Northwest	6,253	\$28,163	\$585
Central	6,622	\$15,504	\$374
West	4,999	\$19,652	\$772
Center City	807	\$10,662	\$545
Southwest	11,603	\$16,760	\$868
Southeast	10,000	\$25,151	\$1,047

## Over- and Under-Payment: Philly 0 – 50% FPL (4% affordability)

	Avg HH Income	Avg HH Water Bill	Bill at 4% of Income	Dollar Discount Needed	Dollar Discount Using City	Over-(under-) payment
Total Philly	\$13,066	\$665	\$523	\$142	---	---
Far Northeast	\$15,089	\$712	\$604	\$108	\$152	<b>\$44</b>
Near NE-West	\$8,600	\$817	\$344	\$473	\$174	<b>(\$299)</b>
North	\$5,980	\$778	\$239	\$539	\$166	<b>(\$373)</b>
East	\$10,342	\$478	\$414	\$64	\$102	<b>\$38</b>
Northwest	\$16,840	\$643	\$674	(\$31)	\$137	<b>\$168</b>
Central	\$8,889	\$837	\$356	\$481	\$179	<b>(\$302)</b>
West	\$11,052	\$658	\$442	\$216	\$141	<b>(\$75)</b>
Center City	\$17,465	\$655	\$699	(\$44)	\$140	<b>\$184</b>
Southwest	\$17,015	\$568	\$681	(\$113)	\$121	<b>\$234</b>
Southeast	\$18,176	\$737	\$727	\$10	\$157	<b>\$147</b>



# Affordability by Use and Income: Flint (MI)

Flint Water				
3-person bills	30% AMI	50% AMI	80% AMI	100% AMI
Genessee Income	\$19,790	\$24,000	\$38,400	\$48,000
Bills at 500	\$26.83	\$26.83	\$26.83	\$26.83
Bills at 1000	\$53.67	\$53.67	\$53.67	\$53.67
Bills at 1500	\$80.50	\$80.50	\$80.50	\$80.50
Bills at 3000	\$161.01	\$161.01	\$161.01	\$161.01
3-person burdens	30% AMI	50% AMI	80% AMI	100% AMI
Burden at 500	1.6%	1.3%	0.8%	0.7%
Burden at 1000	<b>3.3%</b>	<b>2.7%</b>	1.7%	1.3%
Burden at 1500	<b>4.9%</b>	<b>4.0%</b>	<b>2.5%</b>	<b>2.0%</b>
Burden at 3000	<b>9.8%</b>	<b>8.1%</b>	<b>5.0%</b>	<b>4.0%</b>

# Need for Arrearage Forgiveness: Philadelphia (2016)

## Affordability of Arrearage Payment Under 5% Deferred Payment Plan

	Annual Income	Monthly Arrearage Pyt (\$4,186 x .05)	Months in Year	Annual Arrearage Pyt (monthly pyt x 12)	Arrearage Pyt as Percent of Income
<b>Below 50%</b>	\$7,368	\$209	12	\$2,508	<b>34%</b>
<b>50-74%</b>	\$11,513	\$209	12	\$2,508	<b>22%</b>
<b>75-99%</b>	\$16,119	\$209	12	\$2,508	<b>16%</b>
<b>100-124%</b>	\$20,632	\$209	12	\$2,508	<b>12%</b>
<b>125-149%</b>	\$25,329	\$209	12	\$2,508	<b>10%</b>