Making Ends Meet: A Workshop on Water Affordability
Post Conference Summary

The opinions expressed in this report are those of the author (WCP) and do not necessarily reflect the views of the William Penn Foundation.
Affordability Conference In Review

This summary captures a two-day program of presentations, panel discussions and interactive dialogue with opening remarks by former Mayor of Philadelphia, Michael Nutter. Making Ends Meet: A Workshop on Water Affordability, took place from May 30-31, 2018 at the University of Pennsylvania in Philadelphia. The conference was supported by The Water Center at Penn, American Rivers, the Mayors Innovation Project and Clean Water for All.

The event discussed the rising affordability crisis, storm-water fees and solutions to addressing water affordability to provide a valuable networking opportunity and set the stage for further cooperation among communities, utilities, academics and municipal leaders to learn from each other.

Conference speakers described how crisis can be avoided and solutions can be found for our shared water problems. Major themes emerged from the conference, and demonstrated the water affordability issue has many causes including historical injustice, institutional racism, extraction of wealth from communities and under investment. In order to fix these interconnected problems, we rely on government, which is an agreement between people and a place—an agreement about how we live together. When leadership is lacking, communities need to organize to change the system where there are clear winners and losers. In addition utilities must take on the principle of “do no harm”. When we all realize that water is a basic human right, solutions can be found to make sure everyone has access.

“Water is one of the most essential resources on the planet & it is our responsibility to ensure all households are able to afford it.”
- Former Philadelphia Mayor Michael Nutter

“We can live without many things. But we can’t live without water.”
- Cecily McClellan, We the People of Detroit
The Philadelphia Story

The introductory session was led by Howard Neukrug, Executive Director of The Water Center at Penn, to discuss the “Philadelphia Story” of achieving affordable water rates for low-income families struggling to pay their water bills. The Philadelphia Water Department and community leaders came together to create an innovative income based tariff system known as the Tiered Assistance Program (TAP) to ensure affordable water for all Philadelphians.

TAP came about through significant input from multiple stakeholders, all of whom recognized the critical need to address the mounting water debt of low-income households. Bringing stakeholders together on a regular basis allowed participants to understand each other’s perspectives and find a solution for all parties.

Philadelphia Councilwoman, Maria Quinones-Sanchez, whose district had a heavy concentration of households below the poverty line, took the initiative to sponsor the legislation that ultimately led to the TAP program, showing how the efforts of one person can catalyze others to make significant and necessary changes. Philadelphia’s TAP program now serves as a model for other utilities in terms of the program’s structure as well as how it was developed.

“The geographic diversity of the workshop really opened my eyes to different water issues and water solutions. Our water crisis is not onesize-fits all, and the panels did not assume so. I liked hearing from state and local leaders from all over the map.”

- Alex Ambrose, New Jersey League of Conservation Voters

Main Highlights

- Catalysts for change are essential
- Creative solutions are possible
- Water affordability is a critical issue
The Affordability Crisis

This session demonstrated there is much more work that the water utility industry needs to do, along with communities, scientists, and academicians, to create cities that are sustainable for the future. Panelists and audience participants came together to better understand what is needed to solve one of the most urgent US water problems, water affordability.

Fourteen million families in the US are unable to pay for water. This inability to pay degrades communities, creating a negative downward spiral in other aspects of life. Lack of affordable water causes water shut off, resulting in less hygienic living conditions and increases in skin, soft tissue and gastrointestinal infections.

Water is often viewed by city or utility officials from a financial perspective, when in reality, water is a human centric issue that is closely tied to human dignity. It is essential for all stakeholders including utilities, local government, academia and community representatives to have open and frequent discussions that form the basis of public policy. Greater civic participation and authentic collaborative partnerships where communities are educated about the complexity of water affordability issues are necessary. Elected officials must also be held accountable. When it comes to water, infrastructure is political as well as physical.

This powerful session, through both panel and audience member participation, helped everyone in attendance better understand water affordability issues on the intellectual level, but perhaps more importantly, feel the devastating impacts of the water affordability crisis on a much deeper emotional level.

Main Highlights
- 14 M American households are unable to pay for water
- Authentic collaborative partnerships are essential
- Water affordability is a complex human-centric issue

“...provided around most aspects of water affordability. I went away feeling more knowledgeable and prepared to take on this issue in my own community”
- Latia Leonard, Freshwater Future, Detroit
Creating Stormwater Fees

Stormwater fees are increasingly being used to address runoff. Moderator, Gary Belan of American Rivers led a panel to discuss what leaders are doing to keep stormwater fees fair and affordable in their communities.

Listening and education are essential to engaging the community to address stormwater fees. Water professionals need to realize education goes both ways; they can educate communities about water solutions but they also need to be educated about the issues within the community. It is important to share information between citizens and generations of citizens. A successful example of this is establishing green leaders for city blocks where young people are mentored by the elderly in order to provide both inspiration and aspiration toward a better quality of life.

Communities often have the best, most accurate data. Water professionals can acquire it by going directly to residents to ask where stormwater flooding occurs. When data is not available from outside sources, the residents can be asked to help collect data. This kind of collaboration meets the needs for information, and also creates a voice for community members.

High visibility and awareness of efforts to address stormwater is important when it comes to gaining acceptance of stormwater fees. Starting with small projects such as rain barrels and gardens, then building to larger projects over time is the best way to start. Early green infrastructure projects can help build acceptance of stormwater fees long before fees are imposed.

Transparency and accountability are also important. Performance metrics and maps showing the location of green infrastructure projects and the progress toward each project’s goal allows the community to see where their dollars are going. Quantifying results in ways the community can understand builds support of green infrastructure and acceptance of stormwater fees.

“Green infrastructure at work” signs ensure residents understand how green infrastructure helps improve communities. After repeated use of the signs, communities not only associate green infrastructure with a better quality of life, they ask for more.

- Rick Gray, Former Mayor, Lancaster, PA

Featured Speakers

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<tr>
<td>Adam Ortiz</td>
<td>Department of Environment, Prince George’s County, MD</td>
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<tr>
<td>Rick Gray</td>
<td>Former Mayor, Lancaster, PA</td>
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<tr>
<td>Alicia Smith</td>
<td>Junction Coalition, Toledo, OH</td>
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<td>Darryl Haddock</td>
<td>Western Atlanta Watershed Alliance</td>
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<td>Andy Kircun</td>
<td>Camden County Municipal Utilities Authority (CCMUA)</td>
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Andy Kircun, Alicia Smith, Darryl Haddock, Rick Gray & Adam Ortiz
Stormwater fee acceptance requires engagement of a wide group of stakeholders versus a top down approach. Tiered stormwater fee schedules based on the amount of impervious surface per property or “rain taxes” required to meet the EPA Clean Water mandate are opportunities to address community needs, and use green infrastructure projects to attract and engage innovative private companies. These can also generate jobs, build business mentorship programs and incorporate educational experiences. Green infrastructure projects not only attract private partners to help grow the local economy, they are supported by non-profit community partners such as schools, churches and community organizations.

While community engagement, education, visibility, transparency, and a multi-stakeholder approach are necessary to address stormwater fees, creativity may be the underlying factor in all stormwater fee successes stories. Camden city is one of the most financially distressed communities in the United States, so the CCMUA took a unique approach to stormwater fees for its Camden city residents. CCMUA is a regional utility servicing 36 mostly affluent suburban communities, as well as Camden city. CCMUA's wastewater treatment plant is located in Camden city while many of the 36 suburban communities are miles away. CCMUA uses variable water rates, with local residents receiving a 40% discount on stormwater fees based on the rationale that those residents shouldn't have to shoulder the same water conveyance costs as their suburban neighbors. Meanwhile, in Toledo, the new green infrastructure would require maintenance, so an additional 15% in funding was requested from the EPA to pay young people to maintain the projects and turn maintenance into an educational experience.

Even though the local level can't solve stormwater fee issue alone and that there is a significant need for more federal funding, with creative, holistic and long term thinking, solutions are clearly possible.
Addressing Affordability

Utilities and cities are under pressure to address water affordability. This session, moderated by Matthew Braunginn of the Mayors Innovation Project, showcased ways some utilities and cities are developing customer assistance programs and finding fair rate based solutions.

Key steps in designing a Customer Assistance Program (CAP) include deciding on eligibility criteria, what types of assistance should be provided, program outreach and monitoring and program funding. Low Income Home Energy Assistance Programs (LIHEAP) and Supplemental Nutrition Assistance Programs (SNAP) have already done a lot of work determining eligibility for their programs, so partnering with these groups is a good start to help determine eligibility.

It is critical to ensure that people sign up for CAP programs, but outreach is one of the biggest stumbling blocks when it comes to implementing them. Reasons for failed outreach can be lack of communication with service providers which makes individuals unaware of the program, it can be difficult for a utility to establish a specific contact, and some landlords have increased rent to offset costs to fix plumbing in order to comply with a CAP, so individuals can not determine if they are eligible.

Water affordability should be viewed as a business to help utilities understand that, sending out smaller bills through water affordability programs will have a higher chance of being paid at a higher percentage of the total bill. This approach reduces the cost of collection as well as the cost of disconnecting service. Income based affordability programs allow utilities to decrease the amount of uncollectable debt, collect more money and put in less effort to get it.

To address its long-term debt, Atlanta developed a strategic plan with three key programs to address water affordability including Care and Conserve, Senior Discount and Streamwork. Essential to each of these programs is the need to understand the customer’s point of view.

Philadelphia's Water Department (PWD) created the groundbreaking income based water tariff system known as the Tiered Assistance Program.

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"If your customers can't afford to pay, you as a utility have a business problem."

- Roger Colton

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**Featured Speakers**

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<th>Name</th>
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<tr>
<td>Stacey Isaac Berahzer</td>
<td>UNC Environmental Finance Center</td>
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<tr>
<td>Roger Colton</td>
<td>Fisher, Sheehan &amp; Colton</td>
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<tr>
<td>Mohamed Balla</td>
<td>Atlanta Department of Watershed Management</td>
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<tr>
<td>Debra McCarty</td>
<td>Philadelphia Water Department</td>
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(TAP). Through TAP, households are charged a percentage of total monthly income (between 2 and 4%) based on the household’s percentage of the Federal Poverty Level (FPL), with the lowest percentages of FPL being charged the lowest percentage of income.

With TAP, customers don't have to be delinquent to get into the program and the program is simple, with one easy to fill out application and one monthly fee. PWD did a lot of work to understand customer needs, using behavioral scientists to create a clear message that resonated with customers.

Key to the program’s success was preparedness. PWD hired a communications team to develop customer stories to increase engagement. A robust pre-launch informational campaign included flyers, posters, a website, radio ads, bus banners and subway platform ads to encourage participation.

Up front multi-stakeholder engagement is critical to affordability program success. Affordability programs should be structured for those most in need. All stakeholders need to understand that water is a business and that businesses need to run on sound financial footing; otherwise they can’t provide the vital water resources needed by all. Data collection and knowing how much a utility is collecting as a percentage of bills as a baseline allows the affordability program to be more cost effective and produce a better bottom line than collections.

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<th>Customer Groups and Assistance Benefits</th>
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<tr>
<td><strong>Customer Income</strong></td>
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<tr>
<td>0–50% FPL*</td>
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<td>Monthly bill capped at 2% of monthly income</td>
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<td>No payments toward past-due bills required</td>
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* A table showing general Eligibility Guidelines appears on the last page of this document

PWD's TAP Program

Main Highlights

- Partnering with other agencies to determine eligibility for assistance programs is beneficial
- Outreach is important to a successful customer assistance program
- Smaller bills have a higher chance of being paid, reduce cost of collection and cost of disconnection
- Customer education helps people to pay their bills
- Percentage of monthly income can determine rates
- Programs must be simple

“The process matters as much as the final outcome.” Debra McCatry, Commissioner, Philadelphia Water Department