

# All About Water: A Path to Affordability

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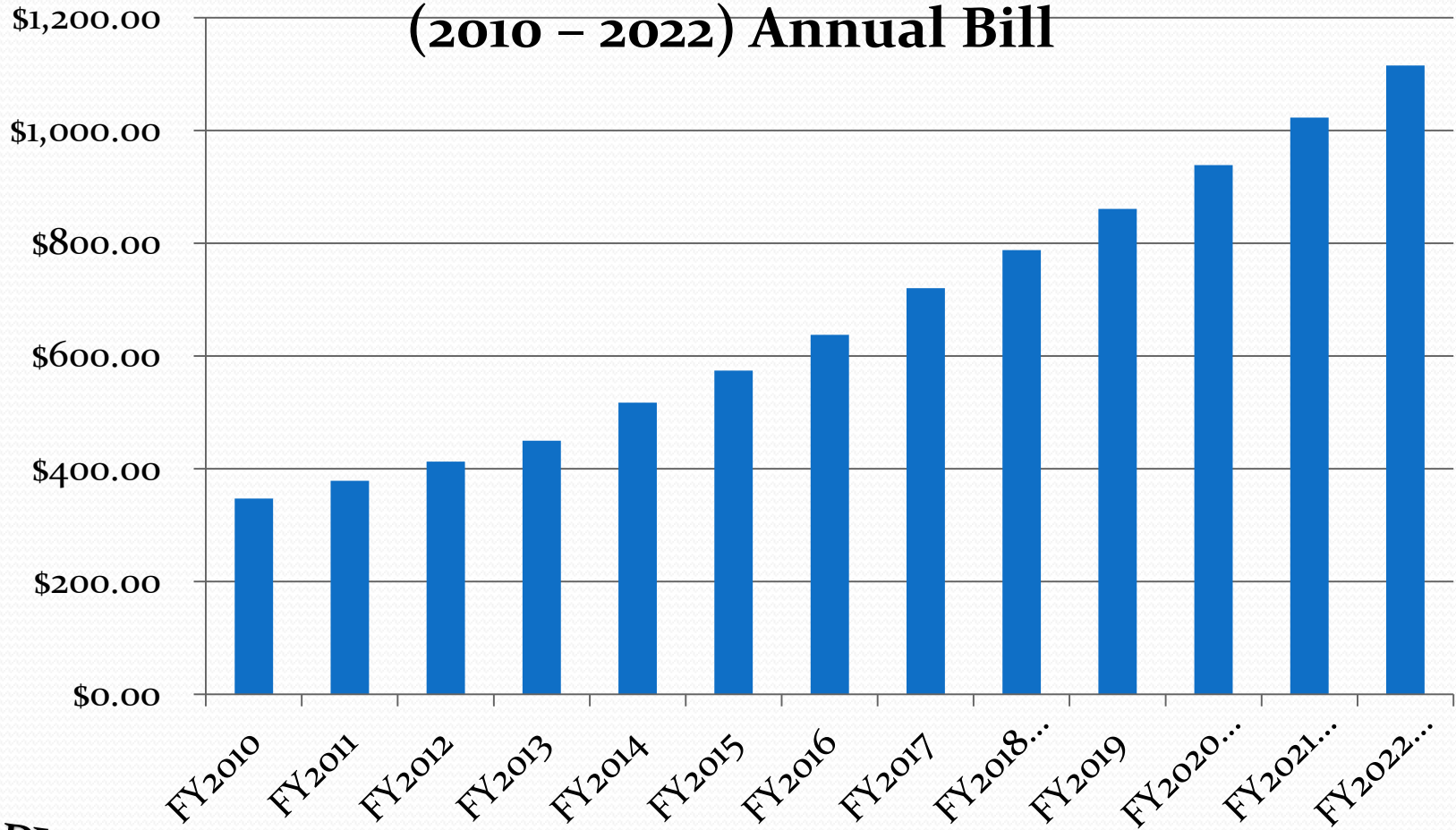
# Baltimore Water: Paying (?) for Clean-up: Motivation

- Issue: City of Baltimore entered into “consent decree” with EPA for environmental compliance.” Requires investment upwards of \$3 billion by 2030.
  - Given lack of federal dollars, ratepayers must pay.
  - If people cannot afford the bills, how does Baltimore collect sufficient dollars?

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# Past, Current and Projected Bills (combined water and wastewater) (Baltimore, MD)

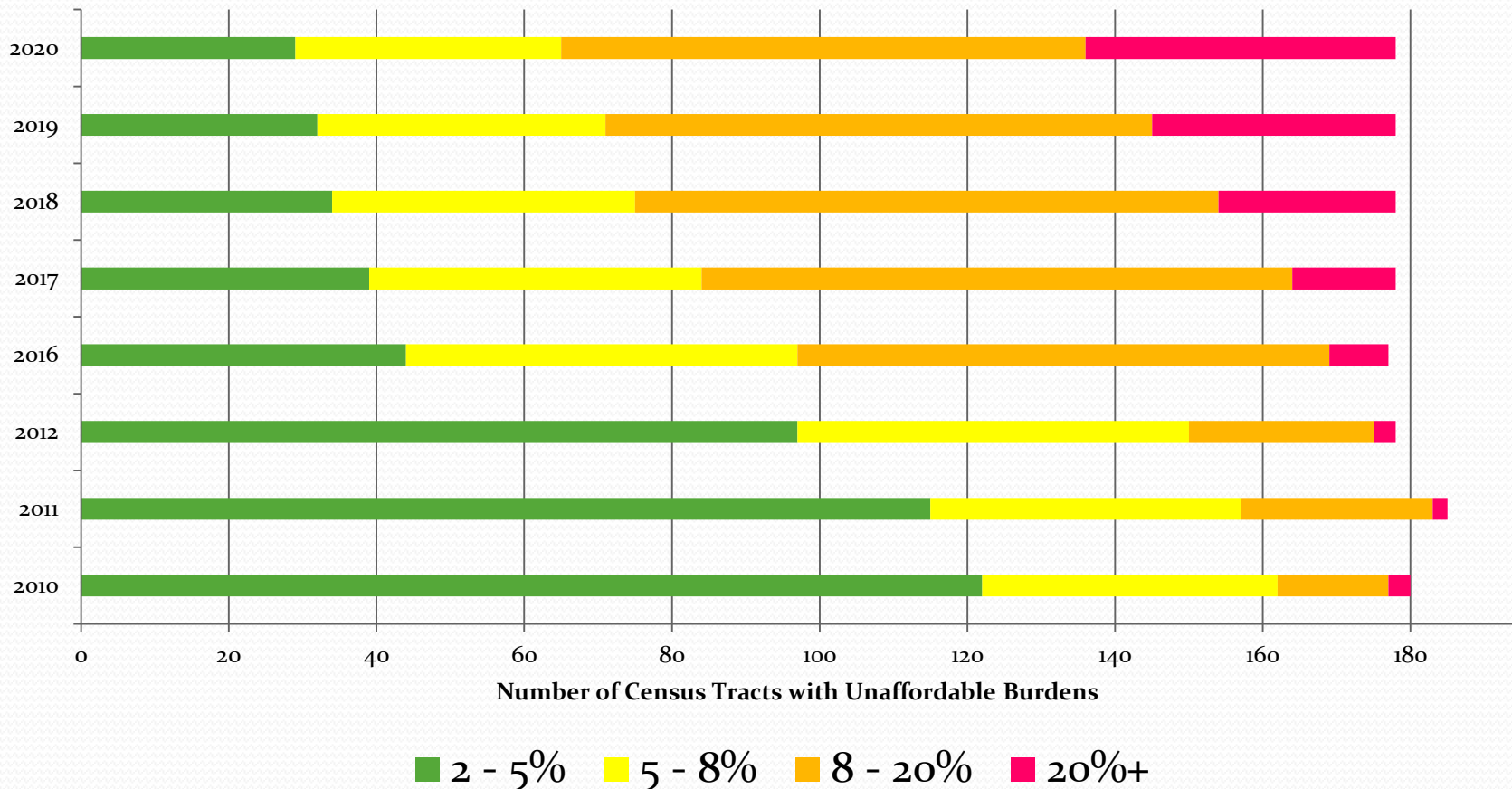
## (2010 – 2022) Annual Bill



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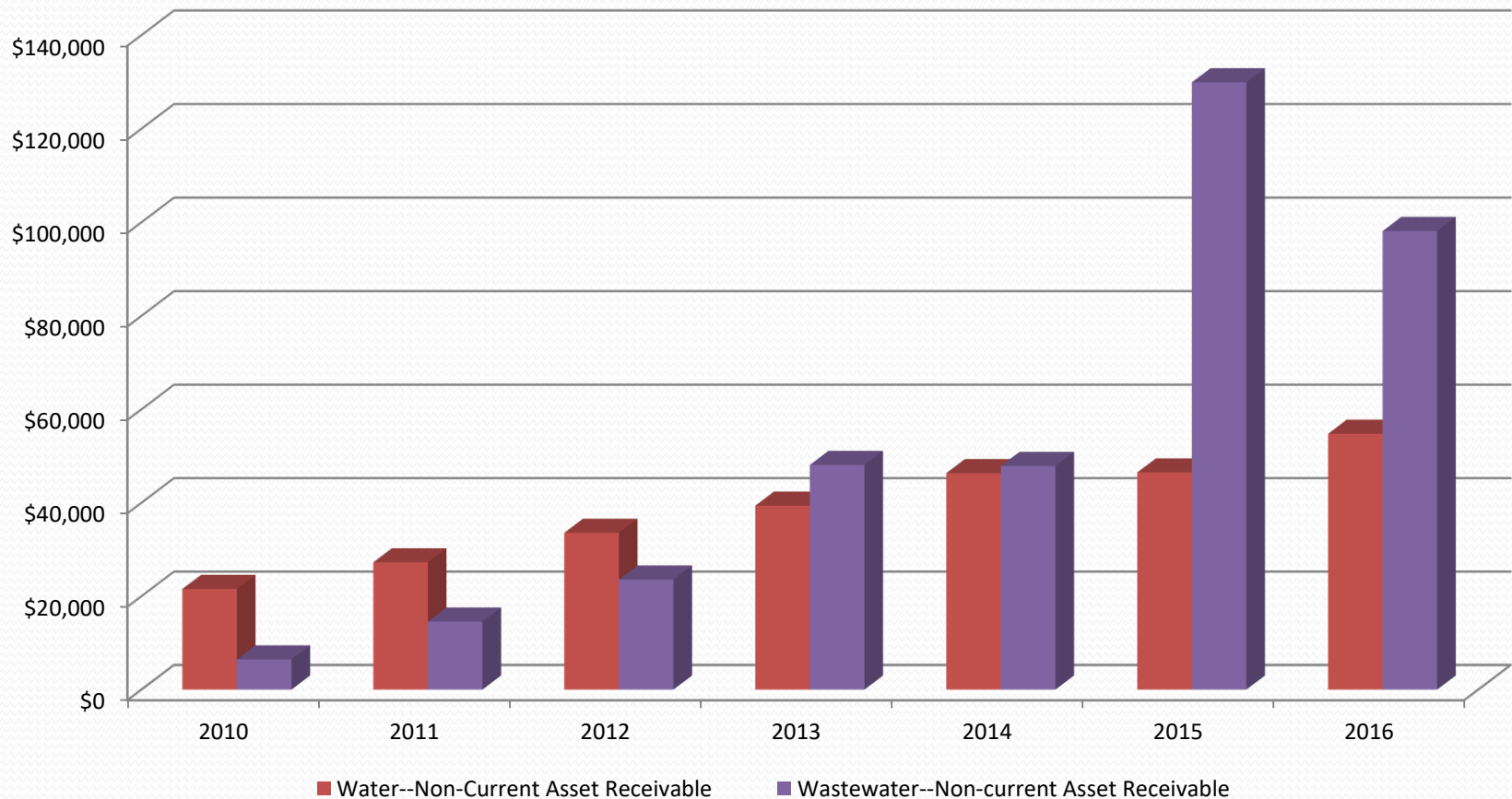
# Baltimore Water: Paying (?) for Clean-up

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# Baltimore Water: Impact of Unaffordable Bills (non-current assets [receivables] [\$000s])

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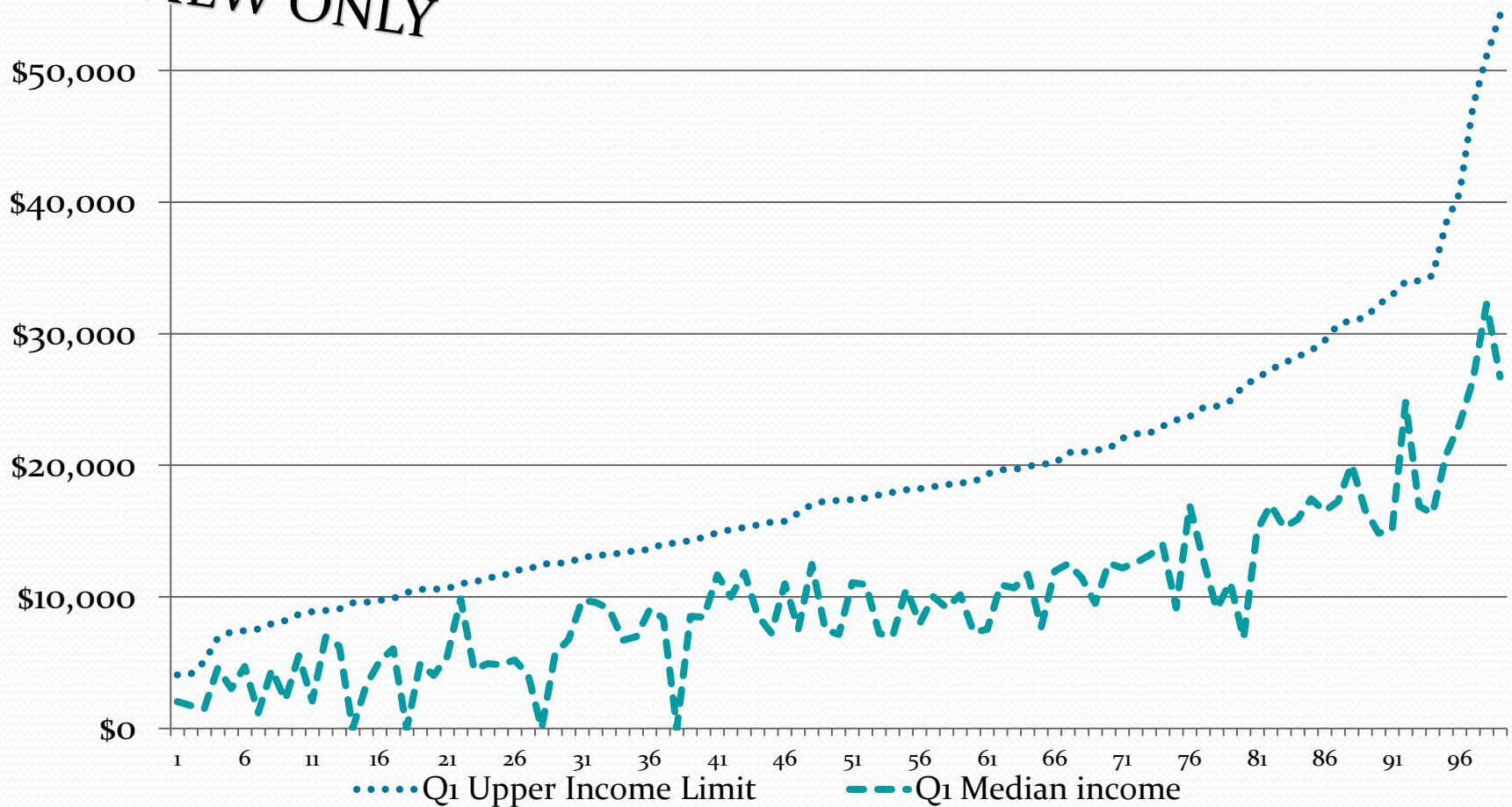


## Obstacles to Affordability: Pre-existing Arrearages: Philadelphia (2016)

<b>Affordability of Arrearage Payment Under 5% Deferred Payment Plan</b>					
	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>

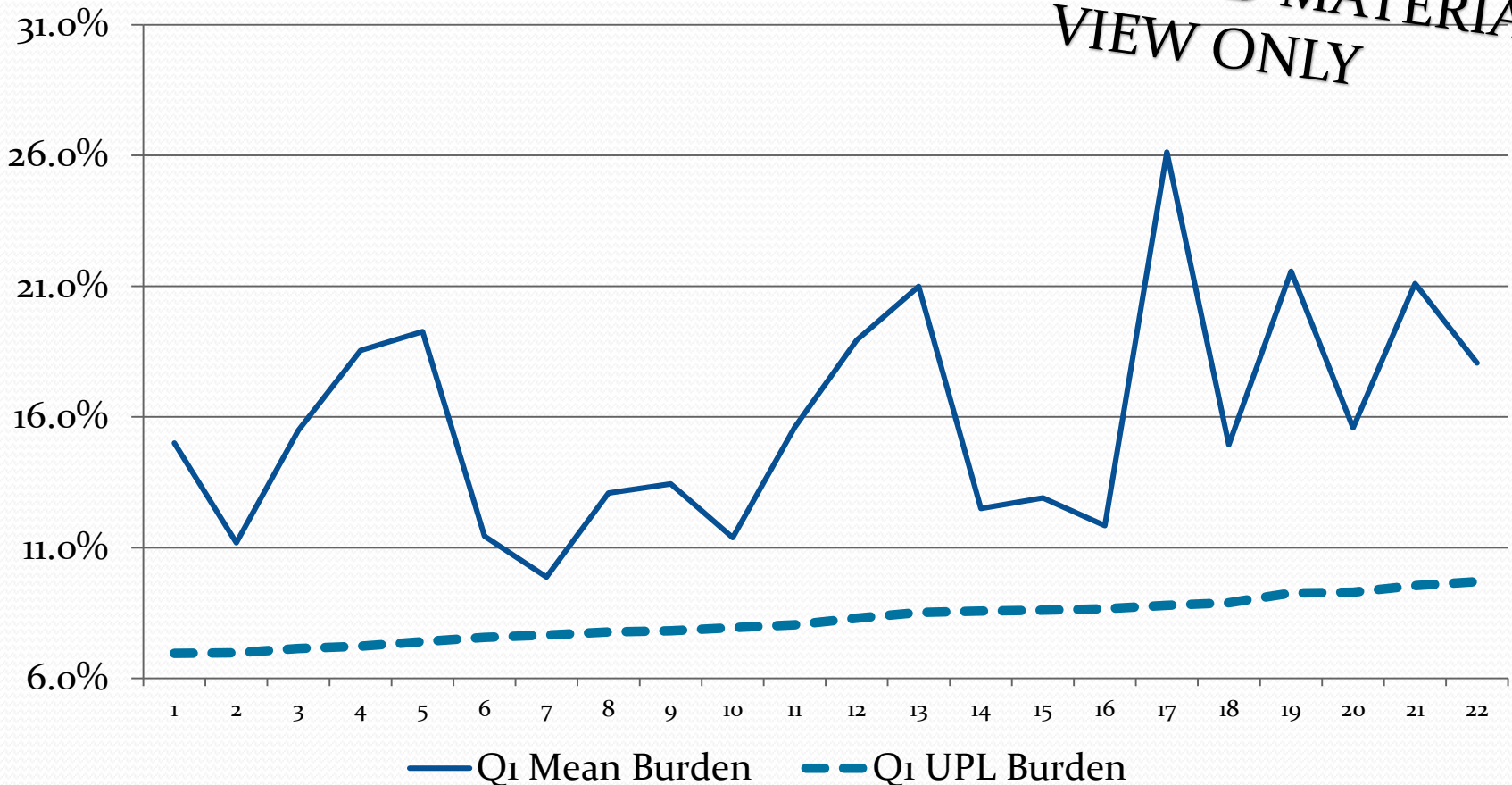
# Obstacle: Redefining who is “poor”: Using the “top” #1 Upper Q1 Income Limits vs. Median Q1 Income (\$s) (Pittsburgh)

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**Obstacle: Redefining who is “poor”: Using the “top” #1 Burdens Using Q1 Upper Income Limits and Using Q1 Mean (average) Incomes (Pittsburgh)**

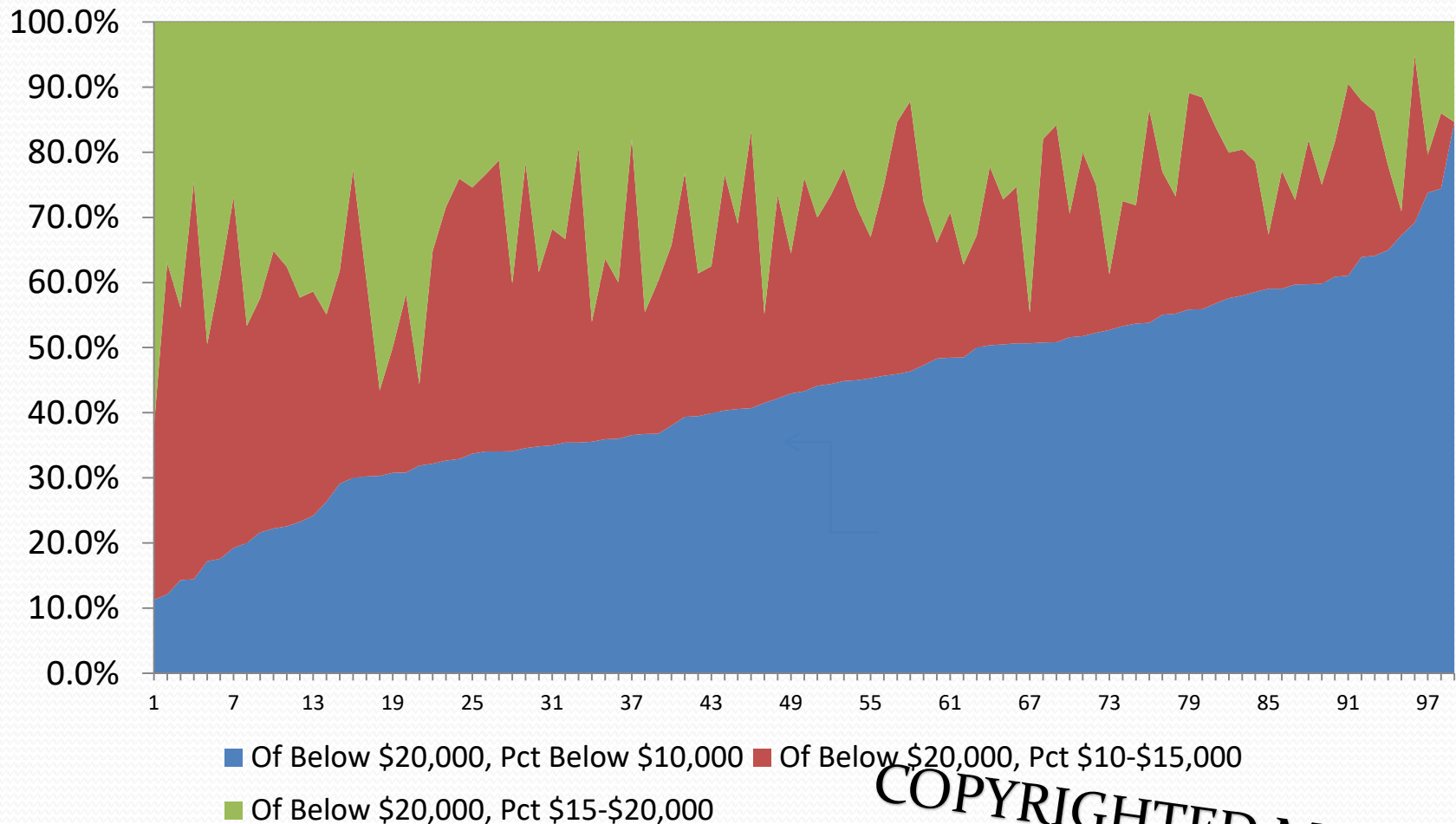
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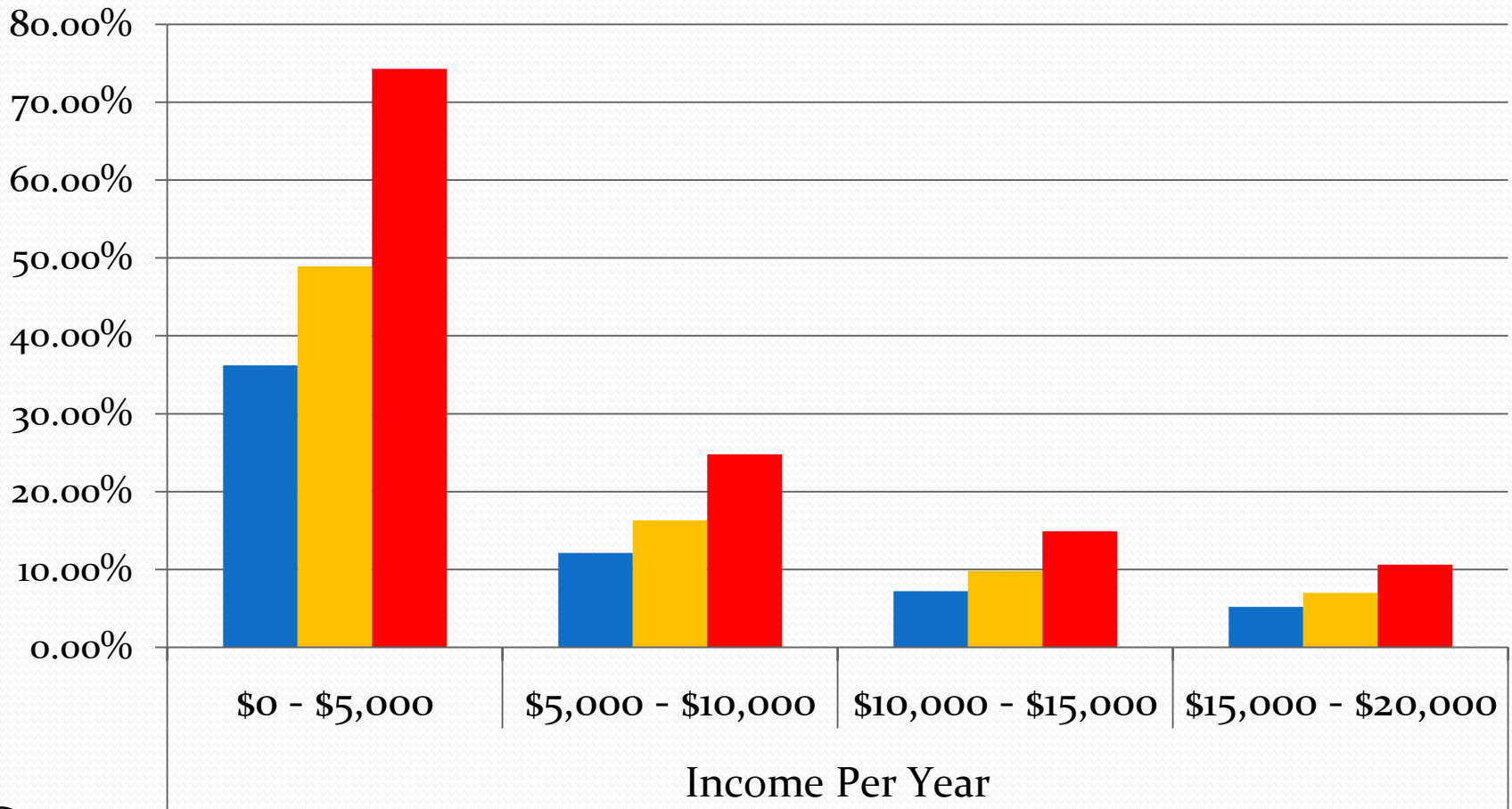
# Obstacle: Redefining who is 'poor': Using the "top" #2

## Distribution of Income of Households with Income at or Below \$20,000 (Pittsburgh)



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## Current Water Burdens at Low to High Consumption Levels and Distribution of Income Below \$20,000 (Pittsburgh)



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We can fix this!

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# City of Philadelphia Legislation

(Bill No. 140607-AA)

(Philadelphia Code, §19-1605)

(December 2016)

*IWRAP means the Income-Based Water  
Rate Assistance Program. . .*

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# City of Philadelphia Legislation

(Bill No. 140607-AA) (Philadelphia Code, §19-1605 )

Monthly IWRAP 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 [households at different poverty level ranges] and ***shall be charged in lieu of the Department's service, usage, and stormwater charges***. That goal shall be achieved through a discount on generally-applicable residential rates or other bill calculation mechanism ***based upon each Customer's actual income*** and, if practicable, historical usage, in a manner consistent with applicable federal law.

# City of Philadelphia Legislation

(Bill No. 140607-AA: §19-1605, Philadelphia Code)

- Timely payment of his or her monthly IWRAP bill ***shall satisfy all of a customer's current water liabilities, so that there is no addition to his or her arrears.***  
Timely payment shall be payment postmarked or received within one month of that payment's due date.
- Total bill. Low-income customers who are enrolled in IWRAP ***shall be required to make no additional payment in respect to any pre-IWRAP arrears*** to maintain service.

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# Interesting Things to Remember

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# Human Right to Water: International Sources

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- **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.”



# Beyond State Legislation.

## Detroit City Charter

The Final Report of the Detroit Blue Ribbon Panel on Water Affordability (January 2017) 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.”

# Beyond State Legislation (page 2): 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.”

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# EPA Guidance to States:

“Assessing Financial Capability for Municipal Clean Water Act Requirements”  
(Jan 13, 2013).

Uniform rate structures may place a disproportionately high financial burden on households with low incomes. ***EPA strongly encourages municipalities to consider establishing lower rates or subsidies for low income customers.***

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# EPA Guidance to States:

“Assessing Financial Capability for Municipal Clean Water Act Requirements”  
(Jan 13, 2013).

Some communities have asked whether the CWA restricts a community’s ability to set different rate structures to address such burdens or would limit their ability to receive grant funding from the Agency. .

***.Local officials have a great deal of latitude under these regulations and the EPA continues to encourage communities to consider and adopt rate structures that ensure that lower income households continue to be able to afford vital wastewater services.***

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