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Water Sector Applauds EPA Action to Update Affordability Guidance

Revised Affordability Guidance Will Ease Financial Burden on Low-Income Communities

(Washington, D.C.) – The Water Environment Federation (WEF), the American Water Works Association (AWWA), and the National Association of Clean Water Agencies (NACWA) join together in applauding the US Environmental Protection Agency (EPA) for today’s prepublication release of its proposed 2020 Financial Capability Assessment (FCA). The new document will aid water sector utilities and their communities in developing plans to comply with federally mandated drinking water and clean water mandates by providing approaches that can more accurately and comprehensively account for the disproportionate impacts of water and wastewater service costs on low-income populations.

This prepublication marks the first major update to the original FCA that was finalized in 1997. The water sector has been advocating to update it for the past two decades, and this update is a product of many years of bipartisan work. The new 2020 proposed FCA incorporates additional metrics for evaluating financial capability that reflect the disproportionate impacts on low-income populations. The water sector associations are still reviewing the specifics of EPA’s proposal, but are optimistic that it will provide significant improvement over the 1997 methodology that relied solely on median household income. As proposed, the new FCA would also provide both utilities and regulators with a more comprehensive picture of the affordability challenges facing a given community.

Importantly, EPA’s new document incorporates key elements from a [report](#) developed jointly by AWWA, NACWA and WEF in 2019 that was shared with EPA. The inclusion of new metrics suggested by the report marks an important milestone as EPA pivots away from the narrow elements of the 1997 FCA and looks to incorporate a much broader suite of considerations in the 2020 FCA that better account for the financial burdens a community can bear as it meets expansive and costly federal drinking water and clean water requirements.

“This newly proposed Financial Capability Assessment (FCA) will allow communities to better evaluate what they can afford to pay for water infrastructure and compliance with the Clean Water Act,” said Jackie Jarrell, WEF President and Interim Deputy Director at Charlotte Water. “WEF looks forward to working with EPA and other stakeholders to ensure the final FCA can be implemented consistently and in a way that allows communities to utilize its intended flexibility, especially as they are still battling the coronavirus pandemic.”

“Drinking water and wastewater services are essential to protecting public health in our communities – and especially during a pandemic,” said David LaFrance, AWWA’s Chief Executive Officer. “AWWA is pleased that EPA is pursuing a more holistic approach to assessing water affordability in our communities.”



“NACWA and its public clean water utility members have worked tirelessly over the past 20 years to update EPA’s Financial Capability Assessment (FCA), and today’s action marks a historic milestone for these efforts,” said Adam Krantz, NACWA’s Chief Executive Officer. “EPA’s new, more holistic FCA recognizes that economic realities have changed since 1997 and that regulators, utilities and local communities need a more rigorous methodology for evaluating the complex affordability challenges we face, especially in the wake of the Covid-19 pandemic. We are extremely grateful to EPA for working with the water sector to develop this new FCA.”

WEF, AWWA, and NACWA look forward to working with EPA to finalize and implement the new 2020 FCA.

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About WEF

The Water Environment Federation is a not-for-profit technical and educational organization of 35,000 individual members and 75 affiliated Member Associations representing water quality professionals around the world. Since 1928, WEF and its members have protected public health and the environment. As a global water sector leader, our mission is to connect water professionals, enrich the expertise of water professionals, increase the awareness of the impact and value of water, and provide a platform for water sector innovation. To learn more, visit www.wef.org.

About AWWA

Established in 1881, the American Water Works Association is the largest nonprofit, scientific and educational association dedicated to managing and treating water, the world’s most vital resource. With approximately 51,000 members, AWWA provides solutions to improve public health, protect the environment, strengthen the economy and enhance our quality of life.

About NACWA

For nearly 50 years, the National Association of Clean Water Agencies (NACWA) has been the nation’s recognized leader in legislative, regulatory, legal and communications advocacy on the full spectrum of clean water issues. NACWA represents public wastewater and stormwater agencies of all sizes nationwide. Our unique and growing network strengthens the advocacy voice for the public clean water sector and helps advance policies to provide affordable and sustainable clean water for all. Our vision is to advance sustainable and responsible policy initiatives that help to shape a strong and sustainable clean water future. For more information, visit us at www.nacwa.org.