

# Water Affordability Needs Assessment: U.S. Environmental Protection Agency Issues Report to Congress



**Walter Wright, Jr.**  
wwright@mwlaw.com  
(501) 688.8839

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The United States Environmental Protection Agency (“EPA”) has announced the issuance of a December 17, 2024 report titled:

*Water Affordability Needs Assessment: Report to Congress (“Report”).*

See EPA 830-R-24-015.

The Report was prepared pursuant to a directive in the Infrastructure Investment and Jobs Act of 2021, Section 50108, [42 U.S.C. 300j-19a].

EPA describes the Report as summarizing:

...decades of research by utilities, academics, and associations and includes recommendations, such as potentially establishing a federal water assistance program; increasing education, outreach, and knowledge around solutions to address affordability; and increasing ways to reduce water infrastructure capital and operating costs.

The Report estimates that between 12.1 million and 19.2 million United States households lack access to affordable water services. The cost of unaffordable water service bills is stated to range from \$5.1 to \$8.8 billion per year.

Water utilities are recognized as facing rising costs related to requirements such as:

- Operations and maintenance.
- Upgrading aging infrastructure.
- Protecting public health and environment.

Funding such activities are recognized as difficult since they involve raising rates.

The Report suggests that:

...a step toward alleviating these challenges, a national water services affordability program could help bring relief to struggling households and communities.

Nevertheless, it also notes that there is no single, universal approach that can approach water affordability on a national level, stating:

...While federal resources, such as the IJJA and the American Rescue Plan Act funds, provide an increased level of funding for water utilities, the need for both capital investment and operations support still outpaces the tools at utilities’ disposal. Large-scale, sustainable change requires addressing the systemic

challenges in how water utilities are funded, how rates are set, and how assistance programs are established to support rate payers. It also requires continued investment in the nation's aging infrastructure. Within this context, however, a national water services affordability program can serve as a critical tool for alleviating some of the financial stress faced by households and utilities around the country.

Components of the Report include:

- Background and Statement of Purpose.
- Defining Water Affordability.
- Water Affordability Literature: Summary and Major Findings.
- Water Affordability Analysis.
- Arrearages, Disconnections, and Tax Liens.
- Additional Recommended Analyses.
- Approach for Engaging Interested Parties.
- Recommendations.
- Appendix A: Case Studies.
- Appendix B: Infrastructure Investment and Jobs Act Sections 50108 and 50109.
- Appendix C: Affordability Metrics Used in Prior Work.
- Appendix D: Water Hygienic Use Values Used in National Affordability Studies.
- Appendix E: Utilities Included in National Affordability Studies.
- Appendix F: Supplemental Technical Information for EPA's Analysis.
- Appendix G: IJIA 50109 Pilot Program Estimated Funding Level.
- Appendix H: References.

A copy of the Report can be downloaded [here](#).