

# **Bond Case Briefs**

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## **Study Shows California Cities Face Growing Costs From Federal Water Regulations That Unfairly Burden Lower and Now Middle Income Households.**

Washington D.C. – In a report released today, The U.S. Conference of Mayors found that the current cost per household for public water services in California is unfairly burdening lower income households. Municipalities already coping with tight budgets and their water customers who have not seen real income growth since the 2007 economic recession face looming high bills to comply with new federal water regulations.

The number of households whose water and sewer costs exceeded 4.5% of their income, ranged as high as 39.4% of Paramount households to 35.3% in La Verne to 34.4% in Escondido.

The report, titled [“Public Water Cost Per Household: Assessing Financial Impacts of EPA Affordability Criteria in California Cities.”](#) will be released as part of the 2014 Water Council Summit of the Mayors’ organization in Washington, DC.

Mayors hope the report’s findings will convince the U.S. Environmental Protection Agency to use a more accurate affordability measure to justify greater flexibility around regulations, especially in cities with high percentages of poverty, low and moderate income and fixed income households, and local economies that are stagnant or failing.

The Mayors’ report looked at 35 California communities, clustered in Los Angeles County, who provided 2014 information on public water (water, sewer, and flood control) average annual cost per household.

Los Angeles County was chosen, as it is one of the first areas in the nation to be regulated under a federal TMDL (total maximum daily loadings) Consent Decree for storm water. Early estimates suggest that substantial rate increases will be necessary to comply with long term obligations.

“This report details the economic burdens that a growing percentage of city residents are experiencing in water and wastewater services,” said Tom Cochran, CEO and Executive Director of The U.S. Conference of Mayors. “We want and need clean water, but cities need greater flexibility, especially in low-income areas. Local governments face

serious challenges to sustain an enormous physical infrastructure necessary to deliver public water services and the persistent growth in federal water mandate costs. A more rational model will be needed to be successful over the next decades.”