TRUTH FROM THE TAP

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A campaign of the National Association of Water Companies

Six Critical Facts Missing From Food & Water Watch's Rate Comparison

In their discredited rate comparison report, Food & Water Watch ignores six critical contexts that influence what customers pay, what they receive, and how water service is funded. Here's why they matter.

1 Water Quality

FWW ignores the most fundamental measure of water utility performance: whether the water customers receive is actually safe to drink. The group criticizes private, regulated water companies for having higher rates, but EPA data shows the government-run systems in their report were 55% more likely to have a health violation, and on average had nearly four times as many unresolved violation points.

55%

More likely to have a health violation

Government-run systems vs private, regulated systems in the report.

$232

Per capita infrastructure investment

Among the 25 most expensive systems, compared with $108 among the 25 least expensive.

2 Infrastructure Investment

Higher rates often reflect necessary investments to repair and replace the pipes, pumps and treatment facilities that deliver safe drinking water. The 25 most expensive systems in the FWW report invested more than twice as much per capita as the 25 least expensive systems ($232 vs. $108). In total, the higher-cost systems invested $1.73 billion in 2025 – more than $600 million more than the least expensive systems, despite serving nearly 3 million fewer people.

3 Purchased Water Costs

Some systems must purchase water from wholesale suppliers, which can add significant costs to customer bills. For example, San Jose Water pushed back on the FWW report, noting how 42% of its customers' bills reflect costs imposed by a wholesale supplier, Valley Water, that the utility does not control. This is a statewide issue: 13 of FWW's 25 most expensive systems are in California, where both public and private utilities face high costs for purchasing, transporting, and treating water.

4 Taxes

Private utilities are required to pay a variety of taxes that government-run utilities are not, making rate comparisons that ignore tax impacts bogus and misleading. For example, the FWW report includes Liberty Utilities in Nassau County, New York, where 31% to 55% of customer bills cover property taxes and special franchise taxes that government-run systems don't pay.

5 Government System Subsidies

Government-run systems often benefit from subsidies that aren't reflected in water rates. The Town of Hempstead, New York – celebrated by FWW as the lowest-cost system among the 500 largest – offers a striking example. Hempstead's 2025 audited financial statements show $40.5 million in total revenues for its water fund, but just $22.9 million (56%) of that total came from customer rates. The water fund received $6.8 million from property taxes and millions more from various other non-rate sources.

6 Customer Assistance Programs

Rate schedules don't convey what customers actually pay. Assistance programs can lower out-of-pocket costs for low-income households to ensure water remains affordable while necessary infrastructure investments are made. Aqua Pennsylvania offers households earning up to twice the federal poverty level a 100% discount on fixed monthly water charges and discounts of 25% to 85% on water usage depending on income. The company also provides hardship grants, assistance with past-due balances, and support for repairing household water leaks.

SOURCES

1. EPA Enforcement and Compliance History Online database
2. Analysis of capital expenditure data from financial reports, regulatory filings, and other public records
3. Los Angeles Times, "Californians are paying some of the highest water bills in the country" 7 October 2026
4. Liberty Utilities New York, "Understanding Rates and Tariffs"
5. Town of Hempstead Financial Statements (December 31, 2025)
6. Dollar Energy Fund, "Aqua PA Customer Assistance Program (CAP)" and "Aqua Aid Program"