



May 26, 2026

Dr. Andrew Sawyers
Director of Wastewater Management
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Submitted electronically via www.regulations.gov.

Re: EPA-HQ-OW-2026-1090 EPA's Clean Water Act (CWA) Financial Capability Assessment (FCA) Guidance

Dear Dr. Sawyers:

The Association of Metropolitan Water Agencies appreciates the opportunity to comment on potential revisions to the Clean Water Act (CWA) Financial Capability Assessment (FCA) Guidance. AMWA is an organization representing the largest publicly owned drinking water systems in the United States, and its membership serves more than 160 million people nationwide. Many of our member utilities also provide wastewater services and must comply with Clean Water Act mandates influenced by the FCA Guidance.

In 2022, AMWA submitted comments¹ on the previous iteration of the Financial Capability Assessment Guidance (Docket ID: EPA-HQ-OW-2020-0426-0071). These comments recommended that the final guidance recognize that the ratepayer-borne costs to maintain a community's drinking water infrastructure must be considered when determining those same ratepayers' ability to pay for Clean Water Act-mandated wastewater infrastructure improvements.

AMWA appreciates that these comments were incorporated as part of EPA's 2023 revisions, which introduced standardized instructions on how best to incorporate drinking water costs into the FCA evaluation. The most recent guidance also emphasizes that drinking water and wastewater systems are often operated jointly, serve the same customer base, and primarily rely on the same pool of financing

¹ AMWA. (April 21, 2022). AMWA Comments on Proposed Financial Capability Assessment Guidance.

<https://www.amwxza.net/testimonycomments/amwa-comments-proposed-financial-capability-assessment-guidance>.

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assistance from the federal government. As EPA considers revising the FCA Guidance, AMWA urges EPA to continue to emphasize the inherent connection between drinking water and wastewater affordability.

AMWA supports incorporating cost of living metrics into future FCA revisions. Expenses like housing, health care, energy, childcare, and transportation have a substantial impact on what would be considered an economic burden on the household level. Necessary water and wastewater rate increases to maintain regulatory compliance have the potential to only exacerbate existing affordability issues. Cost of construction for capital improvement projects also greatly varies and is directly tied to cost of living overall. Only by incorporating these cost-of-living metrics can EPA accurately identify the economic impacts that would affect communities.

Finally, although the FCA Guidance is not a regulating document, EPA frequently uses it to negotiate implementation schedules and enforcement agreements, as well as to develop consent decrees with state enforcement agencies. As the Agency revises the guidance, it is essential that EPA consider the time, money, and personnel required to pursue the ongoing negotiation efforts spurred by guidance changes. Any revisions should be developed with the intention of creating a long-lasting and sustainable document and should aim to reduce potential burdens to public water systems.

AMWA thanks EPA for the opportunity to provide comments on potential revisions to the Clean Water Act Financial Capability Assessment Guidance. If you have any questions about our comments, please contact AMWA's Government Affairs Associate, Erin Phillips at phillips@amwa.net.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dobbins". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Tom Dobbins
Chief Executive Officer

cc: Tara Johnson, OWM