

# **Low Income Household Water Assistance Program (LIHWAP) Recommendations for Federal Reauthorization And Statewide Implementation**

## **Background**

The Low-Income Household Water Assistance Program (LIHWAP) is an emergency program to help low income households pay overdue water service bills. In the State of Michigan, the Department of Health and Human Services received funds to pass through community action agencies to Michiganders with water service bill arrearages or whose water service had been disconnected. Initially designed to run through September 30, 2023, in July 2023 the program was extended by six-months to those states requesting a no-cost extension from the federal Department of Health and Human Services which manages the program at the federal level.

Between May and August, 2023, Congresswoman Debbie Dingell (MI-6) worked with the People's Water Board Coalition, the Michigan Chapter of the American Water Works Association (AWWA) and the University of Michigan Water Center to convene a group of communities and people across government, nonprofit, and private sectors to discuss the Low Income Household Water Assistance Program (LIHWAP). In a series of virtual and in-person roundtables, the group discussed implementation of LIHWAP in Michigan with the purpose of identifying successes and common concerns. This document provides a series of common recommendations developed by roundtable participants. See Appendix One for a list of participants and their affiliations.



**Water affordability is a complex issue at both the household level and community level. This document is about the Low Income Households Water Assistance Program (LIHWAP)**

The participants noted the following important contextual points:

- Household level assistance for water bills is an important component of the much larger and more complex water affordability issue. The Low-Income Household Water Assistance Program is one program addressing household level assistance. It is not, in itself, a water affordability program.
- A comprehensive response to water affordability in Michigan, and elsewhere in the United States, will address household capacity as well as utility technical, managerial, public engagement and financial capacity. Specifically, and ironically, smaller utilities often lack

sufficient capacity to take advantage of federal and state programs designed to address their capacity needs.

- A comprehensive approach will involve federal agencies with the authority, experience and expertise to work with utilities, such as the U.S. EPA, and those with the authority, experience and expertise to work with households, such as the Department of Health and Human Services. At this point, there is no clear recommendation about a single federal leader for a federal water affordability program.
- Data from LIHWAP, other assistance programs and other components of affordability, e.g., infrastructure support, need to be collected and used to quantify the need and to direct funding for infrastructure investment.
- The affordability response at the federal, state and local level needs to be nimble due to the dynamic nature of municipal water service context as a result of climate change (more frequent and intense storm events), the regulatory environment (increasing and diverse compliance requirements) and the economy (growing costs of electricity and supply shortages).

Everyone on the participant list (Appendix One) contributed to the following document, including the recommendations. The following organizations signed the consensus recommendations. Additional feedback received during the review process has been summarized in Appendix Two for future discussion. The contents of Appendix Two has not been reviewed or agreed to by the organizations below.

*Samarhia Giffel, City of Grand Rapids Water System*  
*Michigan Section, American Water Works Association*  
*Kris Donaldson, EGLE Office of Clean Water Public Advocate*  
*Sylvia Orduño, People's Water Coalition Board*  
*Melissa Mays, Flint Rising & Water You Fighting For*  
*Kristen Haitaian, Freshwater Future*  
*Sara Rubino, Oakland County WRC*  
*Nayyirah Shariff, Flint Rising*  
*Tim Neumann, Michigan Rural Water Association*  
*Norrel Hemphill, Great Lakes Environmental Law Center*  
*Cecily McClellan, We the People of Detroit*  
*Cyndi Roper, Natural Resources Defense Council*

### **Summary of Identified Issues and Consensus Recommendations to Address Them**

<b>Specific Issue With LIHWAP Program</b>	<b>Federal Reauthorization Recommendation</b>	<b>Recommendations for Action At the State Level</b>
<p><u>Issue One:</u> We need a consolidated, accurate and up-to-date list of water providers statewide that all agencies can access so we can know which communities are still not participating.</p>	<p><u>Recommendation 1.1:</u> Utilities should not have to opt in for their customers to qualify; all utilities and all residents should be eligible. This means that DHHS would do the income eligibility match and then give that information to the CAAs.</p> <p><u>Recommendation 1.2:</u> Do not require MOUs for water utilities to access funding in the reauthorization. The state should be able to send out money to residents in need regardless of whether a utility or city has opted in.</p>	<p><u>Recommendation 1.3:</u> MDHHS and CAAs should work together to identify and automatically enroll all water providers into LIHWAP. CAAs check against the EGLE water provider list to identify which water providers are participating and which are not.</p> <p><u>Recommendation 1.4:</u> Publish this list or send it to county/local elected officials so they know their constituents aren't able to access the LIHWAP program to pay their water bills and money may have to be returned.</p>
<p><u>Issue Two:</u> We need an accurate accounting of the numbers of homes that are currently shut off and/or in danger of being shut off, to share with municipal governments so they can convince utilities to participate in the program and ensure impacted residents are enrolled.</p>	<p><u>Recommendation 2.1:</u> The reauthorization should include data reporting requirements for both utilities and CAAs:</p> <p>Utilities should be required to report to DHHS: 1) the number of shut-offs completed; 2) number of shut off notices issued in their service area, and CAAs should be required to report to DHHS 3) the number of accounts receiving LIHWAP assistance, 4) and number of locations with shutoffs that qualify for LIHWAP. DHHS should publish the reported data online.</p>	<p><u>Recommendation 2.3:</u> With data on the number of homes currently shutoff and those in danger of being shutoff, MDHHS can set priorities and direct resources to the communities with the greatest need for immediate enrollment in the program. This data can also be used to encourage municipalities to enroll and ensure decision makers are aware of the program.</p>

	<p><u>Recommendation 2.2:</u> Basic shutoff and LIHWAP participation data must be required nationwide to identify the scope of need, ongoing usage of the program, and need for a permanent program</p>	
<p><u>Issue Three:</u> Need increased outreach/engagement at the household level to ensure impacted residents are aware of the program and enrolled, and for Michigan to be able to use up all current funding.</p> <ul style="list-style-type: none"> <li>● Through increased and targeted outreach, we need to address trust and buy-in issues to get more folks to apply.</li> <li>● Need to better understand outreach components,</li> </ul>	<p><u>Recommendation 3.1:</u> Require utilities to clearly state on all water bills that the program is available and provide a link or connection to the relevant CAA for sign up.</p> <p><u>Recommendation 3.2:</u> Provide resources for CAAs to conduct more focused outreach to economically vulnerable households to ensure that everyone who is eligible knows about and is able to access the program.</p>	<p><u>Recommendation 3.3:</u> DHHS require utilities to clearly state on all water bills that the program is available to maximize exposure during the extension period.</p> <p><u>Recommendation 3.4:</u> CAAs should work together to identify best practices for outreach to community members to get them enrolled. Wayne Metro has developed many that could be useful to other CAAs and vice versa. Successful activities include:</p> <ul style="list-style-type: none"> <li>● Door knocking to identify those at risk of shut off, use tablet to submit resident application on the spot</li> <li>● Hire third party outreach coordinators to work across municipalities and CAAs where</li> </ul>

<p>resources, and DHHS and CAA's respective roles.</p>		<p>communities are too small to support staff for this purpose. For example, trained community members may be appropriate for this role.</p> <ul style="list-style-type: none"> <li>● Program fliers included with past due notices, at food distribution sites, at houses of worship</li> <li>● Utility provides addresses where there are high arrearages or shut offs and the CAA uses their system to correlate and ensure residents at that address are aware of LIHWAP.</li> </ul> <p><u>Recommendation 3.5:</u> Build equity into the process of distributing money - focus outside of SE Michigan - targeted assistance to communities with high arrearage rates.</p> <p><u>Recommendation 3.6:</u> Have all agencies use positive language (e.g., LIHWAP will pay your water bills!). Stop using limiting language (e.g., limited funding may be available) when need exceeds resources and capacity b/c this is a cue for people to avoid applying for benefits.</p> <p><u>Recommendation 3.7:</u> Clearly identify the complete application process and decision makers at each step in the process. This type of promotional material will help impacted residents more easily</p>
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		navigate the program and monitor the progress of their applications.
<p><u>Issue Four:</u> Need for consistent data to properly administer the LIHWAP program at the state and national levels. Right now, data are not public, and MDHHS doesn't plan to publish until the program is done</p>	<p><u>Recommendation 4.1:</u> While those who favor accuracy prefer waiting to publish full information when the program is complete, it is valuable to publish data to help identify challenges in real-time and discover ways to address challenges as the program continues to roll out. A revised LIHWAP should require participation data from water utilities. At least quarterly, utilities should report:</p> <ol style="list-style-type: none"> <li>1. Total residential arrearages and fees incurred, by customer class</li> <li>2. New arrearage accumulated since last credits were applied</li> <li>3. Number of shutoffs, by customer class.</li> </ol> <p>This data should be collected electronically so it can be easily published every quarter for use in planning and administration.</p> <p><u>Recommendation 4.2:</u> Build out a public information toolkit replicated after the mandated New Jersey policy, using utilities as partners.</p>	<p><u>Recommendation 4.3:</u> Use of a public dashboard to showcase data in real time - examples from Michigan include, <a href="#">COVID Emergency Response Assistance</a> and <a href="#">Michigan Homeowner Assistance Fund</a> (developed and operated by the Michigan State Housing Development Authority)</p> <p><u>Recommendation 4.4:</u> DHHS should share SQL scripts written for seeking database information, or setting up database inquiries for consistency of data sharing between utilities and CAA/DHHS. This will ensure accuracy and fewer errors in reporting.</p>
<p><u>Issue Five:</u> CAAs lack staff capacity to reach all the water providers in their service area. Wayne Metro is an exception in</p>	<p><u>Recommendation 5.1:</u> The next iteration of LIHWAP should automatically include all community water systems and not require individual enrollment by each water provider.</p>	

that it is well-resourced and only has one significant water provider with whom to work. They have taken on water providers where other CAAs are unable to participate. However, for participating CAAs whose service area includes multiple, often tens of water providers, engagement with those providers to get them to sign on is time consuming and challenging. This is an important issue for MI and could be for other states as well.	Instead, CAAs should work directly with all affected residents in their service areas. This approach was used in Benton Harbor, Michigan and should be implemented across the entire program.	
<u>Issue Six:</u> The requirement to agree to a 90 day ban on water shutoffs for a water utility to enroll in LIHWAP has become a barrier to individual utilities participating across the states.	<u>Recommendation 6.1:</u> The 90 day no shut-off rule is a barrier to water providers opting into the program across multiple states. Congress should consider how to address this barrier while ensuring that people enrolled in the program do not have their water not shut off.	
<u>Issue Seven:</u> Eliminate enrollment and related barriers to reduce burden on individuals applying for the program.	<u>Recommendation 7.1:</u> Congress should enable a process for identifying and sharing best practices in all aspects of LIHWAP implementation at the state level among the states. This would include authorization to expend adequate resources to	<u>Recommendation 7.8:</u> Reduce role of “fees” impacting water and paying bills (national and state level) <ul style="list-style-type: none"> <li>• Stop charging late fees, or waive fees, especially while residents are waiting for</li> </ul>

	<p>both identify lessons learned and to establish a sharing process.</p> <p><u>Recommendation 7.2:</u> Automatic opt in for all eligible individuals, for example everyone who receives SNAP benefits should automatically be enrolled.</p> <p><u>Recommendation 7.3:</u> Increase or eliminate the program limit and instead substitute more general language that accommodations should be made for exceptions, i.e., people with high usage.</p> <p><u>Recommendation 7.4:</u> Reduce role of “fees” impacting water and paying bills (national and state level)</p> <ul style="list-style-type: none"> <li>● Stop charging late fees when enrolled in LIHWAP, or waive fees altogether, especially when residents are waiting for program benefits or their income is at 200% or less of the FPL</li> <li>● When payment is pending: Turn water on/ Roll back water shutoffs / Don’t shut off water</li> <li>● Expand allowable activities to include plumbing repairs, monthly and past bills and gap payments.</li> </ul>	<p>program benefits to begin or their income is at 200% or less of the FPL</p> <ul style="list-style-type: none"> <li>● Turn water on / Don’t shut off water if payment is pending</li> <li>● Expand allowable activities to include plumbing repairs, monthly and past bills and gap payments.</li> <li>● A resident should never have to come up with additional sources of funding to qualify for limited funding.</li> </ul> <p><u>Recommendation 7.9:</u> Raise eligibility to 200% federal poverty level.</p> <p><u>Recommendation 7.10:</u> Address capacity issues. Top priority needs to be getting all current funding allocated. Work on fostering more collaboration among Michigan hierarchy and organizations</p> <ul style="list-style-type: none"> <li>● MDHHS leadership needs to take responsibility for program success (and failure if Michigan is forced to return funding)</li> <li>● Outreach needs to prioritize protecting public health and enrolling residents. Clarify communications and enlist partners if MDHHS won’t take charge.</li> <li>● Develop the available workforce for meeting LIHWAP outreach goals – jobs, education,</li> </ul>
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	<ul style="list-style-type: none"> <li>• A resident should never have to come up with additional sources of funding to qualify for limited funding.</li> </ul> <p><u>Recommendation 7.5:</u> Raise eligibility to 200% federal poverty level.</p> <p><u>Recommendation 7.6:</u> Work to decrease size and complexity of application, decrease caseloads. Address differences between MDHHS LIHWAP application to fed DHHS.</p> <p><u>Recommendation 7.7:</u> Develop the available workforce for meeting LIHWAP outreach goals development strategy – jobs, education, grants and contracts with small businesses, address capacity issues for implementing the LIHWAP program. Develop inside entities that can do this type of work.</p>	<p>grants and contracts with small businesses, address capacity issues for implementing the LIHWAP program. Develop inside entities that can do this type of work.</p> <p><u>Recommendation 7.11:</u> Applications need to be accessible in multiple modalities to accommodate Non-native english speaking populations, older populations, persons with disabilities, and those who don't have tech, such as Amish.</p>
<p><u>Issue Eight:</u> Need to clarify roles, process and expectations for MDHHS, CAA, utility, applicant. The customer needs to know the process and where to go when the application gets stuck.</p>		<p><u>Recommendation 8.1:</u> In consultation with other partners, MDHHS should prepare a master flow chart of how the process is supposed to work and who the decision makers are at each point to provide residents with a guide to work their way through the system.</p> <p><u>Recommendation 8.2:</u> Make the connection between MIbridges program and LIHWAP because the current connection -- being directed to MIbridges program site when clicking on LIHWAP --</p>

		is confusing. At the same time, a short questionnaire to triage and opt applicants in automatically would be beneficial.
<u>Issue Nine:</u> Need to address discrepancies and confusion around lease issues - clarify responsibility and eligibility requirements for landlords, tenants, and utilities	<p><u>Recommendation 9.1:</u> Upon reauthorization, stipulate that rental/lessee information needs to be reported to the state implementing agency by March 1 each year so that utilities and state implementing agencies are aware of all potentially eligible recipients.</p> <p><u>Recommendation 9.2:</u> As long as a tenant shows the lease, and that they pay the bill, they should qualify for assistance even if the water bill is not in their name. If Tenant presents a lease with their name on it, and they are responsible for water, the utility should accept payment</p> <ul style="list-style-type: none"> <li>● On the lease itself - mark if person is responsible for water</li> <li>● Residents seeking help can auto certify who pays that bill – who is responsible.</li> <li>● Create Pathways for those with shared meters – Apartment buildings and HOA's</li> </ul>	<p><u>Recommendation 9.3:</u> Incentivize landlords to recommend LIHWAP to their renters.</p> <p><u>Recommendation 9.4:</u> County Landlords Association – get them on board so they can push recommendations on implementation through the association</p>
Issue Ten: Transparency: There is a need to ensure proper representation on the board for oversight.	<u>Recommendation 10.1:</u> There should be a state level board in each state with oversight of the LIHWAP program. Membership should include community members and utilities.	

Recommendation 11: Of the two agencies, DHHS is best suited to administer the LIHWAP program - their experience with similar assistance programs and a data structure designed to support low income households makes them better able to administer this program. EPA lacks both experience and data systems, nor are they currently organized to support individual households.

<b>Which federal agency should house and administer the LIHWAP program?</b> The following table is a summary of perspectives heard when discussing the relative pros/cons of putting the LIHWAP program within the U.S. EPA or the federal Dpt of Health and Human Services.	
U.S. Environmental Protection Agency	
Pros for Leading Comprehensive Water Affordability Program	Cons for Administering LIHWAP
1) EPA already supports affordability with infrastructure work 2) EPA works with water infrastructure, water utilities and disadvantaged communities - more appropriate place to house program. EPA has long history of working with utilities 3) EPA has been supportive of environmental finance centers, closing funding gap of rate-based customer funding 4) EPA has regulatory ability to set policy about local level data, however they do not yet effectively collect local scale data to track Safe Drinking Water Act violations - their core mission. Other departments, e.g. the state implementing agency, may be more effective at collecting and reporting the data based on expertise, authority and experience. 5) Participants believed that EPA would not interfere with how LIHWAP dollars are administered at local level 6) Participants believed EPA is not siloed 7) This program should be driven by the larger knowledge and body of work that EPA has, including wastewater, drinking water, water quality 8) EPA - they have knowledge of what is reasonable for a family in terms of usage - looks at usage in determining eligibility for programs	1) New program for EPA - would take multiple years for the program to stabilize 2) EPA - programs are not focused at the local level, they are organized at a regional level. It is at this level where they would have relevant experience, e.g., tribal drinking water program. However, the regions are understaffed and would require both additional staff and restructuring to provide the necessary level of support to be effective at the local/household level for LIHWAP implementation. 3) While LIHWAP would potentially be given more attention in smaller agency, EPA currently lacks administrative structure and experience with this kind of program. 4) EPA focuses more on environment 5) EPA is the victim of the political back and forth between Republicans and Democrats 6) EPA data systems are not set up for this type of oversight. It would take years of database development for EPA to administer this program.

## Federal Department of Health and Human Services

### Pros for Administering LIHWAP

- 1) DHHS administers food stamps and other [welfare] programs that people are already enrolled and qualified for - makes them already qualified to administer LIHWAP
- 2) DHHS has household level program focus
- 3) DHHS administration potentially makes the application process more efficient for the applicant, especially if there is categorical eligibility. Their experience could lead to future innovation.
- 4) DHHS - size and experience in working with people; it is a people-focused agency
  - a) Human dignity is a priority - makes sense to house LIHWAP in a human centered program
  - b) DHHS is entrenched in health and services for the people
- 5) Assistance programs are ultimately a human services need and this is a public health need. Water disconnection puts the health and well being of local people is at risk
- 6) DHHS would be providing income based eligibility
- 7) DHHS - will hit the ground running, the existing structure for Human Services will be easier to modify to add water assistance

### Why DHHS Needs EPA Leadership

- 1) DHHS is not particularly efficient at getting funds out the door
- 2) While Community Action Agencies are experienced at administering income based programs, there needs to be mandatory reporting that efficiently transfers data to EPA and utilities to ensure that effective infrastructure, water quality, wastewater treatment decisions are made.
- 3) Affordability issues at household level - gap at the statewide level - means tested programs, housing, food, medical needs - water hasn't been incorporated until a decade ago

## Appendix 1

### People in Attendance

2023 LIHWAP Roundtables	
Name	Organization
Bonnifer Ballard Wayne Jernberg	American Water Works Association
Samarhia Giffel Wayne Jernberg	City of Grand Rapids, MI
Jaime Fleming	City of Wyoming, MI
Gary Brown Debra Pospiech Nikkiya Branch	Detroit Water and Sewerage Department
Kris Donaldson	Clean Water Public Advocate, Environment, Great Lakes and Energy
Melissa Mays Nayyirah Shariff	Flint Rising
Jill Ryan Kristen Haitaian	Freshwater Future
Norrel Hemphill	Great Lakes Environmental Law Center
Madison Merzlyakov Nickie Bateson	Great Lakes Water Authority
Gustavo Perez Sherrie Gillespie	Kent County Community Action Agency
Brian McGrain Tom Visco	Michigan Community Action
Melanie Sanford Kris Schoenow Ben Gulker	Michigan Department of Health and Human Services
Herasanna Richards	Michigan Municipal League
Kyle Bond	Michigan Rural Water Association

Tim Neumann	
Senator Stephanie Chang	Michigan Senate
Bentley Johnson	Michigan League of Conservation Voters
Kayla Rosen	Michigan State Budget Office
Cyndi Roper	Natural Resources Defense Council
Mark Swencki	Oakland County Resident
Jim Nash Kelsey Cooke Sara Rubino	Oakland County Water Resources Commission
Susan Harding	Oakland Livingston Human Service Agency
Sylvia Orduño	People's Water Board Coalition
Congresswoman Debbie Dingell Georgia Frost Dan Black Kevin Rambosk	Representative Dingell's Office
Shama Mounzer	Wayne Metro
Nick Dobkowski	West Michigan United Way
Cecily McClellan	We the People of Detroit
Nathan Schechter	
Process Facilitators:	
Elin Betanzo	Safe Water Engineering, LLC
Jen Read Sarah Miller	U-M Water Center

## **Appendix Two**

### **Ideas That Emerged During Review of the Summary and Recommendations**

#### **Overall:**

##### **Leadership of a Water Affordability Program**

Participants recognized the value of ongoing discussion about the need for collaboration between EPA and DHHS in order to develop a comprehensive and robust national water affordability program.

Participants recognize that each agency has an important role to play: EPA works closely with utilities, has technical expertise and data related to infrastructure-related aspects driving water costs, whereas HHS has the infrastructure and resources to work directly with households.

##### **Reporting Requirements**

There are several recommendations related to reporting requirements and participants provided specific new details related to recommendations about specific data that should be required in reporting.

Medium and large utilities should have more robust reporting requirements. These water utilities should also be required to report the following:

1. number of plumbing audits completed
2. the type of plumbing issues identified
3. dollars spent on plumbing
4. the amount of arrears paid
5. the amount paid per household per month (monthly water bill "gap" payment)
6. the number of households who applied to the program
7. the number of households enrolled into the program
8. the number of households not enrolled
9. the reason households were not enrolled
10. the number of members in each household
11. households with 1 or more member under 18
12. households with 1 or more members over 65
13. households with 1 or more members who are chronically ill
14. households with 1 or more members who are disabled
15. households with 1 or more members who use medical devices and types of devices
16. household income
17. number of enrolled households who are not paying their program water bill (lower bill)

CAAs and water utilities should provide data regarding their staffing:

1. CAA and water utility total staff
2. CAA staff dedicated to program and roles
3. Water utility staff dedicated to the program and roles

At least quarterly, the state LIHWAP program should report:

1. Total Funding received per county.
2. Total funding used, by municipality if possible.

### 3. Total funding balance and due date of grant.

#### **Related to Specific Issues:**

Issue Two: We need an accurate accounting of the numbers of homes that are currently shut off and/or in danger of being shut off, to share with municipal governments so they can convince utilities to participate in the program and ensure impacted residents are enrolled.

Ideas related to this issue that emerged during the review:

- Should include data on homes at a certain level of arrearage. As worded it does not capture the water systems that choose to use the Michigan Water Lien Act to place water bill arrearages on the property tax. This happens in communities with a significant renter population. The renter may be obligated to pay the water bill per the lease, however, will likely never get a shut off notice because the unpaid bills are placed on the property tax rolls paid by the landlord. This process can lead to evictions and leaves those renters out when it comes to receiving assistance.
- In regards to the "those in danger of being shutoff" reporting requirement, could the requirement be more specific "households with arrears over \$1,000?" Or some dollar amount?
- Reporting requirements could vary, depending on the size of the utility. If smaller utilities are having trouble meeting reporting requirements, there should be a program specialist within EGLE, DHHS, or CAAs who can provide support.

Issue Six: The requirement to agree to a 90 day ban on water shutoffs for a water utility to enroll in LIHWAP has become a barrier to individual utilities participating across the states.

There should be shutoff protections while customers are applying, especially as programs are being built in real-time. Putting a time limit on shutoff protections is reasonable. 90 days is reasonable if the billing cycles are 30 days. There should be wiggle room for 90 days or 3 billing cycles to accommodate the various billing requirements of water utilities.

Issue Seven: Eliminate enrollment and related barriers to reduce burden on individuals applying for the program.

Households should be able to self-certify income and special hardship exemptions (loss of a family member, change in income, et cetera).

Issue Eight: Need to clarify roles, process and expectations for MDHHS, CAA, utility, applicant. The customer needs to know the process and where to go when the application gets stuck.

Consider requiring a Water Ombudsman who will serve as a consumer advocate and help with reporting requirements. The Water Ombudsman can help get customers to the proper entity to help them with their issues.