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October 2, 2023

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Sen. Chang and Broad Coalition Introduce Transformative Water Affordability Package

Statewide water affordability program, funding mechanism and shut-off protections are core elements of new legislation

DETROIT, Mich. (October 2, 2023) — Today, Sen. **Stephanie Chang** (D-Detroit), Sen. **Rosemary Bayer** (D-West Bloomfield) and Rep. **Donavan McKinney** (D-Detroit) joined water providers and community leaders for a press conference to announce the introduction of a transformative legislative package to address water affordability in Michigan.

Despite being surrounded by over 20 percent of the world's fresh water, residential water rates have become unaffordable for too many Michigan families. Since 1980, average water costs, adjusted for inflation, have increased by 188 percent; families in urban areas and less densely populated communities have seen rates rise increase by up to 320 percent. According to Department of Health and Human Services (DHHS) data, over 317,000 Michiganders were behind on their water bills during the COVID-19 pandemic, highlighting the public health need in every corner of the state to have access to affordable water. While some local programs arose to help residents afford their water bills, the need for a statewide program in Michigan is glaring.

"We are the Great Lakes State, surrounded by fresh water, but many Michiganders do not have the same access to water due to their financial situation," said Sen. **Chang**. "It should not matter how much money you have — every human being needs water to live. It has been a long journey working on the issue of water affordability since I took office in 2015. This term, I am proud that water providers, advocates and community partners from across the state have come together with shared goals of improving public health, providing more stability for our water systems and helping vulnerable Michigan families. Our water affordability legislation will help low-income Michiganders so that they pay no more than 3 percent of their household income on water and provide critical shut-off protections for those whose health conditions require access to water in the home."

To find a solution to the water affordability crisis, Sen. **Chang** convened a workgroup comprised of water providers, local government officials, clean water advocates, environmental groups, community action agencies, United Way organizations and staff from DHHS. This unprecedented effort to bring stakeholders together through a collaborative process, spanning 24 workgroup meetings, has resulted in a comprehensive set of effective, impactful solutions including a statewide affordability plan, funding mechanism, shutoff protections and tenant protections.

“The People’s Water Board Coalition overwhelmingly supports the monumental package of water affordability bills championed by Michigan State Senators Chang and Bayer,” said **Sylvia Orduño**, People’s Water Board Coalition. “For many years our grassroots groups have labored to bring visibility and advocacy to the need for statewide water affordability that protects households and community water systems. These bills offer new support and safeguards for vulnerable residents who experience water insecurity in all corners of the state. This package is a testament to the lengthy and successful multi-stakeholder engagement process convened by Sen. Chang, and we are appreciative of the strong community support it is receiving across the state.”

“This legislation, after seven months of statewide discussions led by Senator Chang, will bring an equitable and sustainable affordability program to Michigan,” said **Jim Nash**, Oakland County Water Resources Commissioner. “It protects ratepayers, keeps water affordable for those struggling to pay and helps our local communities operate their systems more efficiently and reliably.”

The statewide water affordability bill package includes the following:

- **Affordability program:** Sponsored by Sen. **Chang**, Senate Bill 549 creates a low-income water residential affordability program within DHHS to ensure that water bills for low-income households do not exceed 3% of that household’s income, with tiers developed for lower thresholds based on percentage of the federal poverty limit. Water providers can opt to use the program developed by DHHS or administer their own program. DHHS and water providers would contract with third party organizations such as community action agencies or united way organizations to administer the program in their region. Eligible customers would be households who earn under 200% of the Federal Poverty Limit or are receiving any form of state or federal assistance. Low-income households with water leak issues may be eligible for plumbing repairs up to \$2,500. The bill includes forgiveness for past-due arrearages up to \$1500 in the first year, an additional \$1500 in the second year and more if there is a demonstrated extreme need. A task force will be established to advise DHHS on implementation of the program and identify additional funding.
- **Affordability fund:** Sponsored by Rep. **McKinney** and Sen. **Bayer**, Senate Bill 550 creates a statewide Low-Income Water Affordability Fund. The primary funding source would be a \$2/meter monthly funding factor on water bills, and the fund would be allowed to take philanthropic donations. This fund is modeled after the Michigan Energy Assistance Program, for which every electric utility customer pays a small monthly fee to ensure that low-income households can get help with their energy bills. The MEAP program was created by bipartisan legislation during the Snyder administration.
- **Shut-off protections:** Sponsored by Rep. **Abraham Aiyash** (D-Hamtramck) and Sen. **Chang**, Senate Bill 551 provides protection from water shutoffs for Michiganders whose health conditions require access to water. It requires that a water provider notify a customer who is facing shutoff at least four times through a mailing, door knock, phone call, and/or text message. It also protects a customer who is attempting to enroll in a water affordability plan or who makes a minimum good faith payment. The bill establishes a triage process with the customer to identify barriers to re-enroll the customer in an affordability plan.
- **Tenant accounts:** Sponsored by Rep. **Mike McFall** (D- Hazel Park) and Sen. **Mary Cavanagh** (D-Redford Twp.), Senate Bill 554 allows a tenant to request their water bill be transferred to their own name.
- **Decriminalizing water reconnection:** Sponsored by Sen. **Jeff Irwin** (D-Ann Arbor) and Sen. **Paul Wojno** (D-Warren), Senate Bills 552 and 553 decriminalize water reconnections after

shutoff due to financial hardship, changing this act from a five-year felony to a civil infraction.

Detroit Water and Sewerage Department (DWSD) Director **Gary Brown** said, "Detroit and Michigan have been at the epicenter of water affordability for more than a decade. We have long said the utilities and municipalities need the state to be a partner in providing the framework and securing funding sources – now Michigan will lead the nation. Senator Chang's legislation creates a statewide funding source and program that is modeled similar to our DWSD Lifeline Plan which currently assists 24,000 households. The senator's legislation helps the local utilities reduce the bad debt expense that is rolled up into everyone's rates by providing a fixed lower monthly bill for income-eligible households and covers the difference between the customer's fixed bill and their actual charges. This benefits all water users because water utilities will collect revenues necessary to finance critical infrastructure needs to protect public health and to build resiliency."

"The human body is made up of about 70 percent water. And so is Earth, the planet we call home. No one in the world, not even our world itself, can survive without water," said Rep. **McKinney**. "I believe everyone should have access to clean and affordable water because it is a human right."

"Public health requires access to safe, affordable water," said **Christy McGillivray**, Political and Legislative Director for Sierra Club Michigan. "Decades of disinvestment in drinking and wastewater infrastructure are the root cause of our water infrastructure problems. For far too long lawmakers chose to scapegoat Michiganders struggling to afford their water bills instead of acknowledging that the financial burden placed on individual ratepayers would never match the real cost of maintaining our infrastructure. This consensus-driven water affordability package is a huge step forward in reinvesting in Michiganders' most basic public health infrastructure: drinking and wastewater. These bills will go a long way towards alleviating immediate suffering, and we urge legislators to move them quickly to the Governor's desk."

"We strongly support this legislation. It's a game changer for low-income families in the state of Michigan. Today is important because together, we ensure that our safety net is stronger and well-resourced going forward," said **Louis D. Piszker**, chief executive officer at Wayne Metropolitan Community Action Agency. "If you or someone you know needs assistance, please urge them to call us. We're here to help."

Help is currently available in some regions for water bills. For information about the Water Residential Assistance Program in the Great Lakes Water Authority region, visit glwater.org/assistance. For information about DWSD's Lifeline program, go to waynemetrolife.org/dwsdlifeline or call 313-386-9727.

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