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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director

Legislative Policy Division (LPD) Staff

DATE: April 6, 2020

RE: Revised resolution regarding federal funding for water

Affordability

Council Member Benson directed Legislative Policy Division (LPD) to draft a resolution calling for federal funding of a water affordability program modeled on the popular LIHEAP program for low income home heating assistance. The requested resolution is attached.

If Council has any other questions or concerns regarding this subject, LPD will be happy to provide further research and analysis upon request.

RESOLUTION CALLING FOR FEDERAL FUNDING OF A SUSTAINABLE WATER AFFORDABILITY PLAN SIMILAR TO THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

By Council Member Scott Benson

WHEREAS, In March 2020 Michigan Governor Gretchen Whitmer ordered reconnection of all residential water service in order to deal with the deadly health impacts of the COVID-19 coronavirus pandemic; and

WHEREAS, The need for a subsidy to support long term, sustainable and affordable access to water and sewerage services for the benefit of low income residential customers will not end after the COVID-19 pandemic is better controlled, providing an opportunity to implement new policies going forward. On the contrary, unaffordability of these services for the poor is a structural feature of the water industry's existing rates as well as a permanent menace to public health; and

WHEREAS, Congress should create and adequately fund a national water rates subsidy program similar to the Low-Income Home Energy Assistance Program (LIHEAP); and

WHEREAS, The LIHEAP program receives and expends approximately \$3.5 billion annually to support gas and electric heating utility costs for low income residents throughout the United States; and

WHEREAS, Based on the same realities that lead the federal government to recognize the need to support low income families by subsidizing energy, it is time to also provide a robust federal subsidy for the precious resource of clean and safe engineered drinking water; and

WHEREAS, Unfortunately, due to the high cost of providing clean and safe drinking water, based largely on complying with federal regulations, this resource is seeing an alarming rise in retail rates across the country. While there is often a call for municipalities to become the "water bank" and provide free or subsidized water, the federal government is the proper entity to fund necessary water subsidies for low income families, as demonstrated by the popular and successful LIHEAP program; and

WHEREAS, Affordable water is a health, safety and welfare issue that is implicitly recognized not only by the recent reconnection of water services to deal with the COVID-19 pandemic, but also by the existence of the LIHEAP program for low income electric and gas home heating. Water also needs to be recognized and supported for our most vulnerable residents as a utility that is directly tied to the support of life; and

WHEREAS, Congress is presently deliberating another one or more tranches of relief funding for COVID-19- related expenses. The funding of water and sewer infrastructure should be included for the benefit of public health; and

THEREFORE BE IT RESOLVED THAT The Detroit City Council urgently calls for Congress to enact and fund a national water affordability program, modeled on the LIHEAP program for home heating assistance for low income families; and BE IT FURTHER

RESOLVED That significant and adequate funding for a national water affordability program benefiting low income water customers and public health should be an urgent, primary focus of Congressional COVID-19 relief funding; and BE IT FURTHER

RESOLVED That copies of this resolution shall be provided to Mayor Mike Duggan, Governor Gretchen Whitmer, Congressional Representatives Nancy Pelosi, Kevin McCarthy, Brenda Lawrence and Rashida Tlaib, Senators Gary Peters, Debbie Stabenow, Charles Schumer, Mitch McConnell, and other Congressional leadership and members of the Michigan delegation in Congress, County Executives David Coulter, Warren Evans and Mark Hackel, the boards of DWSD and GLWA, media representatives and affordable water advocates.

