


POLICY: Lifeline Pilot Plan



- **Who is Eligible?**
 - Homeowner or tenant, living in the household, with a single-family residential account for Detroit Water and Sewerage Department (DWSD) services.
 - Household income is at or below 200% of the federal poverty level (FPL), verified by Wayne Metropolitan Community Action Agency which determines the Lifeline Plan tier.
- **How to Apply?**
 - Contact Wayne Metro at 313-386-9727 or waynemetro.org/DWSDLifeline.
 - In order to apply, the applicant needs:
 - Photo ID
 - Social Security Number (federal funding requirement)
 - Proof of income eligibility
 - Current Water Residential Assistance Program (WRAP) enrolled households will automatically transition into the Lifeline Plan.
- **What are the Lifeline Plan Benefits?**
 - Arrearages forgiven from customer's account upon enrollment.
 - No risk of water shut off while actively enrolled in the plan.
 - If water usage is less than 4,500 gallons a month (6 CCF), the total bill is capped for water, sewer and drainage as follows:
 - Tier 1 = \$18/month if income is 135% or less of the federal poverty level (FPL)
 - Tier 2 = \$43/month if income is above 135% FPL but equal to or less than 150% FPL
 - Tier 3 = \$56/month if income is above 150% FPL but equal to or less than 200% FPL
 - If customer uses more than 4,500 gallons a month – free water audit and plumbing repairs to lower water usage is provide by Wayne Metro.
 - Real-time tracking of water usage; advance alerts if customer may exceed 4,500 gallons.
 - Wraparound services from Wayne Metro.
 - If there's an unpaid balance two months in a row, Wayne Metro will reach out to customer to offer other assistance.
- **What are the Rules (the fine print)?**
 - Must have a working water meter and give DWSD access for meter repairs or updates.
 - Must register the account at csportal.detroitmi.gov to self-monitor actual usage throughout the billing cycle.
 - Must allow DWSD and Wayne Metro to communicate via phone, email and text.
 - Timely payments must be made.
 - Customer is responsible for water and sewerage usage over 4,500 gallons:
Example: Tier 1 customer uses 6,000 gallons of water in one month (8 CCF) for a total bill of \$107.69
Customer owes \$18, plus \$20.06 (for additional 2 CCF water/sewer) = \$38.06

TAKE PART: Tap Into the Lifeline Plan
detroitmi.gov/water

Policy Title:	Pilot Lifeline Plan Administration		
	OFFICE OF THE CHIEF FINANCIAL OFFICER	Category	Lifeline Plan
		Administrative Policy #	500-CS-Lifeline Plan
		Revision #	N/A
		Review Frequency	Every six months as funding exists
Administrative Division	Billing & Collections	Reviewed By	Chief Administrative Officer, General Counsel, Chief Customer Service Officer; Finance Department
BOWC Approval	6/28/2022	Last Reviewed/Update Date	
Implementation Date	8/1/2022	Resolution #	22-0858

1. OBJECTIVES

1.1. To outline Detroit Water and Sewerage Department’s (DWSD) Pilot Lifeline Plan.

2. PURPOSE

- 2.1. The DWSD acknowledges there are residents in our community who are unable to pay their full water, sewerage and drainage charge bill because their household income is below certain poverty indicators. Service interruptions are not a viable collection tool for these low-income customers; yet interruptions are an important collection tool for customers who have the ability to pay their bill and choose not to.
- 2.2. Water advocates and affordability experts have opined that the financial burden for water and sewerage services should not exceed 1.8% of household income for households falling under certain income thresholds, and that affordability programs should include plumbing repairs to promote conservation, as well as arrearage forgiveness. The DWSD endeavors to pilot a three-tier, income-based water affordability plan incorporating the above principles using currently available Low-Income Household Water Assistance Program (LIHWAP) funding from the federal and state government and DWSD’s allocation of Water Residential Assistance Program (WRAP) funds, as well as other utility payment assistance and affordability programs.
- 2.3. DWSD will vigorously advocate for long term funding to continue the Lifeline Plan beyond the anticipated 18-month funding resources. DWSD also commits to receiving feedback on this pilot plan to assess refinements and improvements
- 2.4. This policy establishes roles and responsibilities for the Plan components.

3. DEFINITIONS

“Arrearages” for purposes of this policy means all unpaid past due amounts prior to enrollment in the DWSD Lifeline Plan, and also means unpaid past due amounts over and above the assigned Tier payment amount.

“Customer” for purposes of this policy means a property Owner or Tenant that establishes a single-family residential account for DWSD services and occupies the residence.

“Third Party Administrator” or “TPA” means the agency responsible for administering LIHWAP, WRAP or other funds and enrolling eligible customers into the DWSD Lifeline Plan.

“Tier 1” criteria means a customer/applicant’s household income at or below 135% of Federal Poverty Guideline. (SNAP/FAP Eligible¹)

“Tier 2” criteria means a customer/applicant’s household income is greater than 135% of Federal Poverty Guideline (FPL) but at or below 150% of FPL (“Low Income”).

“Tier 3” criteria means a customer/applicant’s household income is greater than 150% of FPL but at or below 200% of FPL. (“Moderate Income”).

“Water Conservation Measures program” or “Conservation program” means a water audit to determine whether unnecessary, unconsumed water loss occurs in the household, the nature of plumbing repairs required to prevent such loss, and repair of plumbing fixtures necessary to prevent water loss.

4. SCOPE

4.1. This policy applies to all Customers who applied for or are enrolled in the Lifeline Plan with the Third-Party Administrator.

4.2. This pilot Lifeline Plan applies only to single family residences.

5. RESPONSIBILITIES

5.1 Customer.

5.1.1. Customer must abide by the DWSD Water and Sewerage Service Terms and Conditions Agreement.

5.1.1.1. Customer must have an active account on the DWSD Customer Portal at CSPortal.detroitmi.gov during their enrollment in DWSD Lifeline Plan.

5.1.1.2. Customer must agree to allow DWSD and its affiliates to communicate with them using electronic means, including phone, voicemail, automated messages, email, text/SMS, and/or other electronic means as a method of communicating important account and water usage information on an as needed basis.

5.1.2. Customer must apply for the Lifeline Plan with the Third Party Administrator.

5.1.3. Customer must have a functioning water meter in their residence that can record actual usage.

5.1.4. Customer must agree to upgrades in metering system as they become available.

5.1.5. Customer must agree to participate in water conservation audits and plumbing repairs, if necessary.

5.1.6. Customer must agree to apply for other payment assistance programs in addition to LIHWAP or WRAP, as needed.

¹ Federal Supplemental Nutrition Assistance Program or Michigan Food Assistance Program

5.2. Third Party Administrator (Including Affiliates)

- 5.2.1. Determines Customer eligibility and enrolls customers into the Lifeline Plan, determines which Tier applies to Customer, and provides DWSD with a report of Tiers by account.
- 5.2.2. For enrolled Customers whose monthly water consumption exceeds 6 CCF in any month, places Customer in the Water Conservation Measures program, and makes payment for qualified repairs.
- 5.2.3. Provides monthly enrollment reports to DWSD, which denotes enrolled Customers and Tiers to be applied during the billing cycle.
- 5.2.4. Assists Customer with application to other payment assistance programs, as needed, and provides case management services.

5.3. DWSD – Finance Department

- 5.3.1. Flags enrollee accounts in the Customer Information System (CIS) to ensure accounts remain in the moratorium for water service interruptions.
- 5.3.2. Applies Third Party Administrator information to Customer accounts and Billing Unit issues billing statements.
- 5.3.3. Tracks statistical information for monthly reporting to Board of Water Commissioners.

5.4. DWSD - Public Affairs

- 5.4.1. Executes a robust education and outreach campaign regarding Lifeline Plan, including, but not limited to, community meetings, door hangers, door-to-door outreach, mailings, social media, and robocalls.

6. POLICY

6.1. No Adverse Action Against Customers Enrolled in Lifeline Plan

- 6.1.1. DWSD exempts all applicants and enrolled Customers from any collection action for arrearages, including service interruption, while Customer remains in Lifeline Plan.

6.2. Application to Lifeline Plan

- 6.2.1. Customers must apply to Third Party Administrator, who determines eligibility for Lifeline Plan and payment Tier.
- 6.2.2. To participate in the Lifeline Plan, Customers must allow DWSD to enter their home to inspect and/or install and/or upgrade their metering system to ensure accurate reads.
- 6.2.3. Currently enrolled WRAP customers will automatically transition to the Lifeline Plan.
 - 6.2.3.1. Third Party Administrator will evaluate household income and assign WRAP customer to the appropriate Tier.

- 6.2.3.2. WRAP Customers whose income falls within one of the three Tiers will remain in the Lifeline Plan as long as they remain income eligible and otherwise comply with all Plan requirements, and as long as funding exists to support the Plan.

6.3. Calculation of Lifeline Plan Payment.

6.3.1. For the first 6 CCF (approximately 4,500 gallons) of usage, the Customer's monthly payment for water, sewer and drainage charges for each Tier will be calculated at 1.8% of the average household income in Detroit for "SNAP eligible," "Low-Income," or "Moderate-Income" households as reported in data gathered for the APPRISE Incorporated water affordability study², at a set rate as follows:

- (a) Tier 1 = \$18.00/month
- (b) Tier 2 = \$43.00/month
- (c) Tier 3 = \$56.00/month

6.3.2. For water usage over 6 CCF, Customer's monthly payment will be calculated based on (i) the assigned Tier; (ii) plus a charge for water usage over 6 CCF; and (iii) sewer usage over 6 CCF but not to exceed 12 CCF at the standard published rates. Customer must pay the Tier amount plus the overage charge, plus any balance forwarded.

Example:

Tier 1 Customer uses 6,000 gallons of water in one month (8 CCF) for a total bill of \$107.69

Customer owes \$18, plus \$20.06 (for additional 2 CCF water/sewer) = \$38.06.

6.3.3. The Third Party Administrator will verify Customer's income eligibility for Lifeline Plan on an annual basis.

6.4. Water Conservation Measures to Reduce Monthly Bill

6.4.1. DWSD will notify enrolled Customers by automated outreach reminder call when their usage exceeds 3 CCF in any month so that Customer can take action to try to prevent going over 6 CCF or to address any leaks inside the home.

6.4.2. Customers may monitor their usage using DWSD's Customer Portal at www.csportal.detroitmi.gov.

6.4.3. When usage exceeds 6 CCF in any month the Third Party Administrator or affiliate completes, and enrolled Customer agrees to participate in, water conservation audits and plumbing repairs.

6.4.4. Customers with high usage due to actual use for activities of daily living (rather than leaking plumbing fixtures) may apply for a hardship exemption to waive payment for some or all usage over 6 CCF.

6.4.4.1. Hardship exemptions may be granted on a case-by-case basis.

² *Water Affordability Study Survey of Programs – In-Depth Analysis*, Prepared for Office of the People's Counsel (OPC) of the District of Columbia, Washington DC; Prepared by APPRISE Incorporated; June 2021, p. 27. OPC Contract OPC-K19-5. (Available online at DWSD website)

- 6.4.4.2. Customers may be required to document and submit details regarding the nature of their hardship, including, but not limited to, proof of job loss or change in pay, number of household members, financial hardship due to household member death, etc.

6.5. Arrearages

- 6.5.1. **Prior Arrearages.** Upon enrollment in the Lifeline Plan, the Third Party Administrator will remove Customer's arrearages accruing prior to enrollment.
 - 6.5.1.1. If Customer is a homeowner, the Third Party Administrator and Customer must apply for any and all other programs that assist with utility debt and apply funds to Customer's DWSD account.
 - 6.5.1.2. If Customer's arrearages prior to enrollment exceed funds available under existing funding program rules for utility debt, DWSD will notate Customer's account and handle the debt in the usual manner for uncollected residential accounts.
- 6.5.2. **Payment of Tier Amount.** For consumption at or below 6 CCF, all available assistance funds will be used to reduce the total amount owing (arrearage) above the capped, tiered amount.
 - 6.5.2.1. If Customer's arrearages during enrollment in Lifeline Plan exceed funds available, DWSD will notate Customer's account and handle the debt in the usual manner for uncollected residential accounts.
- 6.5.3. **Partial Payment.** If Customer does not pay the amount owed for their Tier payment, plus any overage for usage above 6 CCF, that amount will accrue on the next bill as an arrearage as a balance forward.
- 6.5.4. Penalties will not accrue unless Customer has two (2) consecutive months with a balance forward.

6.6. Failure to Comply With Lifeline Plan Requirements

- 6.6.1. If Third Party Administrator determines an enrolled Customer is not in compliance with plan requirements (i.e. failure to allow installation of functioning meter, a balance forward for two (2) consecutive months):
 - 6.6.1.1. Third Party Administrator will follow up with Customer to provide case management services.
 - 6.6.1.2. If after exhausting all case management services Customer remains in non-compliance, Customer may be unenrolled from Lifeline Plan, and Customer is subject to DWSD Water and Sewerage Service Terms and Conditions Agreement starting with the next billing cycle.
- 6.6.2. The unpaid account balance is an arrearage, and late penalties and collection efforts may resume.
 - 6.6.2.1. Customer may enter into a payment plan.

6.7. Re-Enrollment

6.7.1. If Customer pays all arrearages owed or Customer makes consistent timely payments at full rates and enters into a payment plan for arrearages, Customer may be allowed to re-enroll in the Lifeline Plan.

6.7.1.1. Arrearages will not be forgiven or removed upon re-enrollment.

6.7.1.2. Customer will be entitled to pay applicable Tier payment amount.

6.8. Reasonable and Necessary Accommodations

6.8.1. Management may take reasonable and necessary actions to accomplish the intent of this policy.

7. PROCEDURES

7.1. Billing Process

7.1.1. Finance Department receives monthly data file from Third Party Administrator by the 5th of each month indicating new and/or removed participants in Lifeline Plan and applicable Tier.

7.1.1.1. Finance Department calculates the amount of billing statement based on Tier and Customer usage and applies proper billing code to account.

7.1.1.2. Finance Department removes participants from Lifeline Plan as directed and changes billing code.

7.1.1.2.1. After removal from Lifeline Plan, arrearages will be handled pursuant to DWSD's Residential and Non-Residential Collection Policy

7.1.2. Billing Department removes pre-enrollment debt from Customer account.

7.1.3. Billing Department prepares statements indicating:

(a) Tier amount owed,

(b) Amount due for usage above 6 CCF, if any, and

(c) Arrearages.

7.1.4. Billing Department initiates separate billing cycle for Lifeline Plan Customers.

7.1.5. Billing Department removes prior month Lifeline Plan Arrearage if Customer pays Tier amount plus any overage for usage above 6 CCF, and applies funds available from LIHWAP, WRAP and/or other utility payment assistance programs.

7.1.5.1. When funds available have been exhausted, DWSD will notate Customer's account and handle the debt in the usual manner for uncollected residential accounts.

7.2. Missed Payments; Collection.

7.2.1. If Customer misses a payment, the account will be referred to Third Party Administrator and Public Affairs for outreach.

7.2.2. If Customer misses a second consecutive payment, the account will be referred to the Third Party Administrator and Public Affairs for outreach and case management services.

- 7.2.3. Third Party Administrator notifies DWSD when Customer has not come into compliance after exhausting all case management services and that Customer should be unenrolled from the Lifeline Plan.
 - 7.2.3.1. Collections will proceed with usual process for collection of arrearages pursuant to DWSD policy.
- 7.2.4. If the Customer resolves their past due balance or enters into a payment plan after termination from Lifeline Plan, the Collections Analyst initiates a work order and updates the status of the customer in the CIS.
- 7.2.5. The Finance Department will notify the Third Party Administrator if unenrolled Customer makes consistent payments at full rate. Finance Department and Third Party Administrator will confer to determine if Customer is eligible for re-enrollment.
- 7.2.6. The Third Party Administrator will contact Customer if he/she is deemed eligible for re-enrollment.