

Navigating New Funding Opportunities for Low-Income Water Customer Assistance

June 10, 2021

Speakers

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Funding Available

- The December 2020 *Consolidated Appropriations Act* and March 2021 *American Rescue Plan Act* provided the first-ever federal funding specifically to assist low-income water and wastewater ratepayers.
 - \$638M + \$500M = \$1.138B total signed into law: the Low-Income Household Water Assistance Program (LIHWAP)
 - A small number of communities had leveraged CARES funds (March 2020) to provide low-income assistance
 - **Note!** The March 2021 American Rescue Plan Act also authorized necessary water and sewer investments as an eligible use of Coronavirus State and Local Fiscal Recovery Funds, the \$350 Billion being divided among every state, tribe, territory, and local/county government.
 - Additionally, Renter & Homeowner Assistance have been provided through Treasury and can be used for utility bills including water/sewer alongside rent/mortgage relief.

LIHWAP Background

- The Department of Health and Human Services (HHS), Administration for Children & Families, Office of Community Services is leading implementation of the new LIHWAP – the Low-Income Household Water Assistance Program.
 - <https://www.ach.hhs.gov/ocs/programs/lihwap>
- Congress directed that to the extent possible, *LIHWAP* funds leverage existing processes; HHS determined *LIHEAP* was the best model.
- Since December, HHS has been working to stand up this new program.
 - The department has decades of experience providing energy assistance to utilities
 - *Water is a new challenge!*
- States are responsible for administering the program in line with HHS guidance and are working to develop plans now.
- So when can utilities expect funds will start flowing?
 - On June 2nd, [HHS released](#) \$\$ to state/territory/tribes. Administrative funds (15%) can be drawn down immediately.
 - State plans must be approved by HHS before the 85% can be drawn down to provide assistance funds to utilities on behalf of eligible customers.
 - State timing will vary – figure this fall (!)
 - All funds must be obligated by 9/30/2023 & expended by 12/31/2023.

State Programs

Question: What must States do to be eligible to receive funds and distribute them to utilities?

LIHWAP Statutory Text:

- (1) assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services
- (2) as appropriate and to the extent practicable use existing processes, procedures, policies, and systems in place to provide assistance to low-income households

HHS Guidance:

"Existing processes, procedures, policies, and systems" = model LIHWAP implementation after LIHEAP assurances

State Program Components

State Implementation Plans

- Before States can expend funds for non-administrative purposes, they must have a plan approved by HHS
- Required Components of State LIHWAP Implementation Plans:
 - (1) Eligibility requirements State will use
 - (2) Benefit levels State will use
 - (3) Steps State will take to target households with high home water burdens
 - (4) Administration plan addressing oversight and monitoring

Requirements for State Programs

State Program Requirements

- Qualifying Households and Use of Funds
 - Must prioritize lowest-income households;
 - Funds can only be used for:
 - Households with individuals who qualify for other programs such as LIHEAP, food stamps, supplemental security income payments or
 - Households with incomes not over 150% of state poverty level or 60% state median income but can't exclude less than 110% state poverty level based solely on income
 - Can be used to cover arrearages arising at any time including before grant;
 - Must prioritize continuity of water services including prevention of disconnection and restoration of water services;
 - States must establish criteria and procedures for determining eligibility "comparable" to their LIHEAP programs
 - Funds cannot be used for improvement of land or the purchase, construction, or permanent improvement of any building or other facility

Requirements for State Programs (Cont'd)

- Outreach and Coordination
 - Must ensure eligible households made aware of assistance opportunities
 - Must coordinate with programs including LIHEAP, the Community Services Block Grant, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), the Social Service Block Grant, and the Emergency Rental Assistance Program
- Fund Distribution
 - Must notify households of payments made on their behalf
 - Must ensure utilities bill the difference via normal billing processes
 - Must ensure no households will be treated adversely because of receipt of assistance
 - Must require utilities to provide confirmation of credits/service restoration/removal of disconnect status

Requirements for State Programs (Cont'd)

- Public Participation, Appeals, Oversight
 - Must provide for meaningful public participation in development of plan
 - Must allow for administrative hearing for individuals whose claims are denied or not acted upon with reasonable promptness
 - Must cooperate with federal investigations into state programs
- Other Requirements
 - Renters (must treat renters equitably)
 - Accounting (establish appropriate procedures to ensure funds distributed in accordance with law)
 - Administrative Cost Caps (15% of funds)
 - Extensive Recordkeeping and Reporting (track and report LIHWAP funds separately from LIHEAP funds)
 - Taxes (benefits cannot be considered income under State law for purposes such as taxation, public assistance, or welfare programs)

Unanswered Questions

Questions not Addressed by HHS Guidance:

- How must money be distributed to utilities? Are CAAs required? What adjustments are needed from LIHEAP based on the large number of drinking and wastewater utilities as compared to electric utilities?
- What does treating renters "equitably" mean?
- Is self-certification of eligibility permissible?
- What exactly does criteria and procedures for determining eligibility being "comparable" to LIHEAP programs entail?
- Do benefits have to be distributed evenly across the State?
- How should States establish benefit levels?

Online Resources:

Model State Plan: <https://www.acf.hhs.gov/ocs/policy-guidance/liheap-2020-04-model-plan-application-funding-fy-21>

Required Plan Terms and Conditions: <https://www.acf.hhs.gov/ocs/policy-guidance/lihwap-2021-05-state-territories-initial-requirements-fy2021>

Funding Release by State: https://www.acf.hhs.gov/sites/default/files/documents/ocs/COM_M_LIHWAP_FundingReleaseDCLAtt1_StatesTerrs_052621_o.pdf

LIHEAP, a model

How Can LIHEAP's Experience Inform LIHWAP?

- Similarities between LIHWAP and LIHEAP
- How LIHEAP Funds Flow: the dynamic between HHS, States, Community Action Agencies, and electric utilities
- As LIHWAP Gets Underway, what should the water sector look out for? Are there things that could work better? What circumstances in LIHEAP will be challenging to translate/expand to water?

What Should Utilities Be Doing Now?

What Should Wastewater/Water Utilities Be Doing Now?

- Familiarize yourself with the LIHWAP guidance materials ✓
- Engage with state offices, particularly on implementation issues which HHS left to state discretion
- Form relationships with Community Action Agencies; community-based organizations
- ?

Water Utility & Community Collaboration

Clean Water Collaboration – Washington Suburban Sanitary Commission (WSSC) experience

- How does WSSC work with community partners to implement customer assistance?
- How is WSSC preparing to benefit from LIHWAP and integrate this new funding alongside their existing customer assistance program?

What's Next?

Opportunities and prospects for future funding and to establish a permanent low-income assistance program

- Additional emergency funding from HHS? Via infrastructure bill?
- Congress is debating *whether* this is worthy of future/long-term funding and if so *how* to distribute – HHS? EPA?
- Ensuring this first-ever funding is used effectively is important for long-term funding!
- Lessons learned can inform future federal assistance and forge partnerships between utilities and community groups.

Q&A

Further Questions:

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Thanks for joining!

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