



**House Natural Resources, Environment, Tourism, and Outdoor Recreation Committee
HB 5088, 5089, 5090, 5091, 5092 & 5093 Neutral Party Testimony**

**Water Equals Life Coalition
Kristy Meyer
Campaign Director**

Chair Pohutsky, Majority Vice Chair Hill, and Minority Vice Chair Martin and members of the Natural Resources, Environment, Tourism, and Outdoor Recreation Committee, thank you for the opportunity to testify as a neutral party to House Bills 5088, 5090, and 5091.

My name is Kristy Meyer and I am the Campaign Director for the Water Equals Life Coalition. The WEL Coalition believes in the vital importance of water to sustain life, support thriving communities, and create a prosperous future. Our vision is a Michigan where all residents have equitable access to affordable water.

I would like to start off by thanking Senator Chang and the work group for all the efforts to create a package of bills to support low-income customers to pay their water bills. We believe this low-income water program package will support many Michiganders struggling to pay their water bills and appreciate the inclusion of:

- A streamlined process for enrolling in the program,
- Potential financial assistance of up to \$2,500 for plumbing repairs,
- Discounting all water services—drinking water, stormwater, and sewage treatment - set initially to no more than 3% of income, and
- Protections for tenants signing a new, renewed, or renegotiated lease.

While these bills provide some good provisions and will provide short-term support for those facing financial hardships, more needs to be done to ensure all low-income residents are able to pay their water bills.

HB 5088 would create the low-income residential water program which discounts water bills based on the average household income within two federal poverty level (fpl) tiers of 0%-135% and 135%-200%. Customers within the fpl of 0%-135% and 135%-200% will have their bill

discounted to 2% and 3%, respectively. While those customers that are in the middle or the top of those tiers will be able to afford their water bill, it is those customers at the low end of those tiers that will be paying far more than 2% or 3% of their household income and will be forced to choose between paying their water bill or other necessities, such as food, medicine and other critical bills. Once a customer cannot pay their water bill they can face water shutoffs, arrears forgiveness goes away, and families can spiral downwards financially.

In addition, the water legislative package requires customers to pay a \$2 fee per a water meter which would then go into a water fund created through HB 5089. This fund would be available for water utilities to draw down money to provide the 2% or 3% cap to low-income customers enrolled in the program. Once the funding has been all used up the cap of 2% or 3% local utilities have been providing low-income customers in the program could increase to a cap above 3%, making those customers who could afford their discounted bill potentially unable to pay their water bill anymore. Once that happens the other protections provided - arrears forgiveness and protections from water shutoffs - also disappear.

I think it is important to note that the United Nations states no one should pay more than 3% of their disposable income for water. Unfortunately across Michigan there are urban, suburban, and rural community members paying 5% or more, and in some places 25% of their income on their water bills, making water unaffordable for more than 1 million customers across the state. According to some studies, we are quickly reaching an affordability crisis where more than a third of the nation will not be able to pay their water bills. This has a ripple effect on low-income families and their communities bearing the brunt of physical and financial costs.

All we must do is look at the number of cases during COVID-19 when there was a moratorium on shutting off water and when that moratorium was lifted. When a moratorium on shutting off water was in place COVID-19 numbers dropped significantly. When the moratorium was lifted, COVID-19 numbers increased significantly. Additionally, researchers at the Henry Ford Global Health Initiative found that patients admitted to the Henry Ford Hospital with water-related illnesses were significantly more likely to live on a block that has experienced water shutoffs and patients diagnosed with skin and soft tissue diseases were 1.48 times more likely to live on a block experiencing water shutoffs.

Unaffordable water and a lack of access to running tap water in families' homes across Michigan and the county results in 219,000 cases of waterborne illnesses and 71,000 cases of mental illnesses, costing our economy 68.7 million work hours and an estimated 610 lives. This lack of access to affordable water costs us \$15,800 a year in healthcare costs, time spent collecting and paying for bottled water, loss of time at work or at school, and premature death. Collectively, unaffordable water costs the U.S. economy \$8.58 Billion annually.

While HBs 5088, 5090, and 5091 will support families and customers with temporary financial windfalls, these bills simply do not go far enough to protect the most vulnerable from shouldering a heavy burden of rising water rates. Therefore, the WEL Coalition, at the minimum respectfully requests HB 5090, the water shutoff protection bill, be amended to ensure if there is insufficient funding to provide a discounted water bill, customers with an active application or enrolled in the program are still protected from having their water shutoff or having their arrears certified to property tax if they continue to make a good faith effort and are paying a regular, affordable amount toward their water bill.

Thank you for the opportunity to testify before you today. I am happy to answer any questions.