

**Testimony presented to the
Michigan House of Representatives
Health and Human Services Appropriations Subcommittee
By:
Jim Nash, Oakland County Water Resources Commissioner
Tuesday, June 24, 2025**

Thank you, Honorable Chairperson Roth, and members of the subcommittee for the opportunity to provide written testimony regarding the urgent need for continued funding for water assistance programs. As the Oakland County Water Resources Commissioner, I am elected to protect public health and safety by managing drinking water, sewer, and stormwater systems throughout Oakland County. My staff and I perform operations and maintenance on sewer infrastructure for 18 cities, villages and townships while maintaining 22 water systems in 16 municipalities. My office also provides billing and customer services for 15 municipalities. Like many water suppliers and wastewater managers throughout the state, I understand that funding water assistance programs is not only a tool to protect vulnerable households, but a critical financial mechanism to help water utilities reinvest in infrastructure.

Not-for-profit public water utilities are government entities that don't operate as a private business. The rates we charge simply cover the costs we incur. Maintaining and replacing underground infrastructure is incredibly expensive, but increasingly necessary as much of this infrastructure is more than 50 years old and a significant portion is approaching a century of service and needs to be replacedⁱ. Capital improvement funding is the top priority for water professionals in 2025, but only 41% of utilities are able to cover costs through rates and feesⁱⁱ. Average inflation-adjusted water costs have already roughly doubled for the state as a whole since 1980ⁱⁱⁱ and further increases have become more difficult. As rates continue to rise, the problem of water affordability has become ever more acute for all Michiganders.

Challenges with water and sewer service affordability affect people across geography and demographics, throughout Michigan. These challenges affect households statewide – whether residents live in cities, suburbs, or rural areas. From the western reaches of the Upper Peninsula to Southeast Michigan, many people struggle with affordability. Residents in some notable areas are spending 10-to-25% of their disposable household income on water and sewer servicesⁱⁱⁱ. It is particularly devastating to our most vulnerable residents, such as young families and senior citizens.

Water assistance programs are often seen as purely social safety nets—but they are also sound infrastructure policy. Here's why:

1. Revenue Stability for Utilities

When low-income households cannot afford their water bills, utilities are forced to absorb the cost. This results in unstable revenue, deferred maintenance, and reduced creditworthiness—making it harder and more expensive to borrow for infrastructure upgrades. By helping customers pay their bills, assistance programs stabilize revenue collection, allowing utilities to reinvest in long-overdue infrastructure projects.



2. Statewide Economic Efficiency

Every dollar invested in water assistance helps avoid the hidden costs of shutoffs—emergency response, public health impacts, and lost economic productivity. It is far more cost-effective to keep vulnerable residents connected to safe water than to manage the downstream consequences of disconnection.

3. Federal Leverage and Grant Matching

Many federal infrastructure funding opportunities- prioritize affordability planning and equitable access. State-funded assistance programs strengthen our competitive edge when applying for these resources and help utilities meet the cost-share requirements often necessary to draw them down.

4. Supporting Smaller and Rural Systems

Many small water systems in Michigan serve communities with high poverty rates and limited ratepayer bases. These systems are stuck in a financial bind: they need investment but can't raise rates without worsening unaffordability. State-level assistance gives these systems a lifeline—allowing them to maintain service while planning for sustainable infrastructure investments.

5. Long-Term Cost Savings

Infrastructure failure costs more in the long run. Preventative investment—made possible when utilities have the financial flexibility that assistance programs provide—is fiscally conservative. It is cheaper to repair a pipe before it bursts than to clean up the flood.

As many water utilities across the state serve entire regions – cutting across communities and socioeconomic barriers – this is truly a problem for the entire state and certainly a problem in Oakland County.

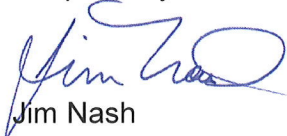
Even though we have the second-highest median household income in the state^{iv}, 25% of Oakland County households are part of the Asset Limited, Income Constrained, Employed (ALICE) population, with an additional 9% living in poverty^v. Many in these demographics find it hard to afford their ever-increasing water bills. To assist with the problem, the Great Lakes Water Authority – the largest water supplier in the Detroit metro area – has been funding the Water Residential Assistance Program (WRAP) to help eligible households with bill assistance. In Oakland County alone, both enrollment and spending on the assistance program have increased roughly 150% since 2022, with FY24 spending exceeding \$1 million^{vi}. Unfortunately, this program has finite funding which means many that need assistance may be waitlisted when allotted funds are utilized. In addition, WRAP only addresses short-term needs, not long-term affordability, which means communities are hesitant to raise customer rates and utilities do not generate revenue needed to optimally maintain and operate water systems

This problem of water affordability is likely to expand throughout Oakland County as some areas previously on private well systems will connect to municipal water systems. I expect those residents will experience “sticker shock” when they receive water and sewer bills for the first time. Because of failing septic systems, my office is working toward connecting four municipalities in Northwest Oakland County to sanitary sewer service in neighboring Genesee County. They include the Village of Ortonville and the townships of Brandon, Groveland, and Holly.

There are programs to help people who have difficulty with long-term housing, food assistance, transportation, and energy utility payments. We do not have any similar program in place to help them pay for water services, the most basic of necessities. There are efforts to implement such a program in Michigan, but it is not yet a reality. Until such a long-term program is in place, households statewide will struggle to afford basic water services and critical water system infrastructure needs will be deferred until a costly emergency occurs. It's imperative that the state assists and helps us combat this growing problem.

I am encouraged that Governor Whitmer proposed \$7 million be included in the upcoming budget to help with water assistance, but this is simply not enough. We respectfully request this body consider \$60 million in funding to maintain critical water assistance programs. This funding will go a long way to help alleviate this growing problem until a long-term solution, like the Water Affordability package currently in the Michigan Senate, is found. Again, thank you for the opportunity to provide testimony on this critical funding issue.

Respectfully submitted,



Jim Nash

ⁱ American Society of Civil Engineers. 2023 Report Card for Michigan's Infrastructure.
<https://infrastructurereportcard.org/state-item/michigan/#:~:text=And%20the%20state%20%E2%80%93%20home%20to,Read%20the%20executive%20summary%20here>

ⁱⁱ American Water Works Association. State of the Water Industry 2025.
https://www.awwa.org/state-of-the-water-industry/?utm_source=higher_logic&utm_medium=email&utm_term=SOTWI%5F5%5F30%5F25&utm_content=ets&utm_campaign=ets_25%23

ⁱⁱⁱ Graham Institute, University of Michigan. Water Service Affordability in Michigan: a Statewide Assessment.
<https://graham.umich.edu/project/MI-statewide-water-affordability-assessment>

^{iv} datacommons.org. Ranking by Median Household Income, All Counties in Michigan.
https://datacommons.org/ranking/Median_Income_Household/County/geold/26?h=geold%2F26009&unit=%24

^v United For Alice. The State of ALICE in MICHIGAN.
<https://www.unitedforalice.org/county-reports/michigan#10/42.6603/-83.3864>

^{vi} Great Lakes Water Authority. WRAP Enrollment, Inflow, and Spend Data (FY2022 – FY2025).
<https://glwa.wpenginepowered.com/wp-content/uploads/2025/03/Affordability-Assistance-WRAP-Quarterly-Update-FY25.pdf>

