LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM

LIHWAP INTRODUCTION

ADMINISTRATION FOR CHILDREN & FAMILIES

THURSDAY, AUGUST 12, 2021
Purpose

• Introduce Low Income Household Water Assistance Program (LIHWAP) staff
• Review LIHWAP legislation, use of funds, and program implementation
• Discuss reporting requirements
• Questions
Today’s OCS Team

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NACWA represents public wastewater and stormwater agencies of all sizes nationwide. The Association’s unique and growing network strengthens the advocacy voice for all member utilities, and ensures they have the tools necessary to provide affordable and sustainable clean water for all.

- Our membership includes over 330 public utilities nationwide, serving the majority of the nation’s sewered population
- Advocacy, communications, networking, peer engagement
- Our work covers the full scope of clean water issues, including the costs of clean water and water affordability
The National Energy and Utility Affordability Coalition (NEUAC)

http://neuac.org

NEUAC brings together partners from energy and water utilities, including nonprofits, national partners, trade organizations, LIHEAP providers, and government stakeholders

- Forum for discussion
- Advocacy for utility assistance
- Problem-solving
- Networking with other utility professionals
- Sharing of group knowledge
- Effective strategies
LIHWAP Legislation

• Congress appropriated $638M in the Consolidated Appropriations Act of 2021, and an additional $500M in the American Rescue Plan Act (ARP) of 2021 for a new emergency water and wastewater assistance program.

• The legislation provides emergency assistance to low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services.

• **Grantees must provide funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.**

• There is no permanent authorization for LIHWAP.
Use of Funds

• Administrative Costs
• Outreach & Eligibility/Intake Costs
• Benefits on Behalf of Households:
  1. Arrearages for Disconnected Households
  2. Arrearages for Households At Risk of Disconnection
  3. Reduction in Rate Charges for Current Bills
How is LIHWAP Administered?

Flow of Funds

Congressional Legislation*

Office of Community Services

Grantees

States
Territories
Tribes

* $638M in the Consolidated Appropriations Act of 2021
$500M in the American Rescue Plan Act (ARP) of 2021
How is LIHWAP Funding Allotted to Grantees?

Allotment of funds to Grantees

(1) allot amounts appropriated in this section to a State or Indian Tribe based on—

(A) the percentage of households in the State, or under the jurisdiction of the Indian Tribe, with income equal or less than 150 percent of the Federal poverty line; and

(B) the percentage of households in the State, or under the jurisdiction of the Indian Tribe, that spend more than 30 percent of monthly income on housing; and

(2) reserve up to 3 percent of the amount appropriated in this section for Indian Tribes and tribal organizations.

(c) Definition.—In this section, the term “State” means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
How is LIHWAP Administered Locally?

Grantees
(States, Territories, Tribes)

Self Administration

Sub Grantees

Water Utility Vendors

Sample Sub Grantees
- Local community-based organizations (i.e. Community Action Agencies or local LIHEAP Agency)
- Local government agency
## Role and Responsibilities

<table>
<thead>
<tr>
<th>Grantees</th>
<th>Subgrantee*</th>
<th>Water Vendor</th>
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<tbody>
<tr>
<td>Allocates funds across subgrantees/counties/service territory</td>
<td>Manages application intake and eligibility/benefit determinations for households</td>
<td>Restores water services timely</td>
</tr>
<tr>
<td>Manages and monitors program and fiscal aspects of all subgrantees</td>
<td>Runs outreach strategies to potential households</td>
<td>Provides grantee required data</td>
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<tr>
<td>Develops compliance and performance management strategies</td>
<td>Fiscally tracks each payment made on behalf of households</td>
<td>Processes payments on water accounts accurately and timely</td>
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<tr>
<td>Develops local policies and reports data to fed govt</td>
<td>Coordinates with other assistance programs</td>
<td>Helps grantee/subgrantee reconcile customer accounts</td>
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LIHWAP Term Definitions

• **Arrearage**: For the purposes of LIHWAP, arrearage refers to an unpaid past due bill for household drinking water and/or wastewater utility services. LIHWAP grant resources can be used to pay for arrearages incurred at any point in time by households that meet LIHWAP eligibility criteria and may include reconnection charges, fees and penalties.

• **Rate Reduction**: For the purposes of LIHWAP, rate reduction refers to full or partial payment of a currently due bill charged to a household for drinking water or wastewater services and may include standard charges and fees included in the household water bill.
Other Definitions

• **Household Drinking Water Burden**: The proportion (amount) of total household income spent on drinking water utility bills during a specific timeframe set by the grantee in its written policies (e.g., monthly, quarterly, or annual). This burden may be calculated based on gross income or net income depending upon the policies, procedures and requirements of the state, territory or tribe. It is also calculated based on the amount billed to the household for such services.

• **Household Wastewater Burden**: The proportion (amount) of total household income spent on wastewater bills during a specific timeframe set by the grantee in its written policies (e.g., monthly, quarterly, or annual). This burden may be calculated based on gross income or net income depending upon the policies, procedures and requirements of the state, territory, or tribe. It is also calculated based on the amount billed to the household for such services.
Other Definitions

• **Low Income Home Energy Assistance Program (LIHEAP)** helps keep families safe and healthy through initiatives that assist families with energy costs. We provide federally funded assistance in managing costs associated with home energy bills, energy crises, weatherization and energy-related minor home repairs.

• **Community Action Agencies (CAA’s)** are local private and public non-profit organizations that carry out the Community Action Program (CAP), which was founded by the 1964 Economic Opportunity Act to fight poverty by empowering the poor as part of the War on Poverty. The Community Services Block Grant (CSBG) is the agencies' core federal funding. Agencies also operate a variety of grants that come from federal, state and local sources.
LIHEAP as a Role Model

Similarities:

• Target population
• Eligibility
• Payments on behalf of households to vendors
• Same grantees for the most part

Differences--LIHWAP is not:

• a permanent program
• a block grant
Vendor Agreements

Importance of Vendor Agreements:
• Clearly defines all the details and roles of each party
• Sets expectations for both parties

Essential Elements:
• Purpose
• Scope Of The Services with timetable
• Consumer Protections- Required by Federal Law (Term11h)
• Payment Information
• Shared Data Agreement
Reporting Requirements

Terms and Conditions; Term 10

a. the amount, cost, and type of water assistance provided for households eligible for assistance under this award;
b. the type of water assistance used by various income groups;
c. the number and income levels of households assisted by this award;
d. the number of households that have sentries, disabled members, and children 0-5;
e. the impact of each grantee’s LIHWAP program on recipient and eligible households (e.g., amount of assistance to each household, and whether assistance restored water service or prevented shutoff);
f. administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.
Coordination with Local Assistance Programs

Enhance your local program

Example:

- Outreach
- Future Enrollment
- Wrap Around Services

These funds are meant to create additional water affordability assistance opportunities, **not** replace existing local assistance programs.
LIHWAP Implementation Timeline

• Grant Plans due August 9th
• Review Process can take several weeks
• Once the Grant Plan is approved, grantees can draw down money
• If possible, we are asking grantees to start opening household applications before the end of this Fiscal Year, September 30th, 2021
Resources

- LIHWAP Website
- LIHWAP Terms and Conditions
- LIHWAP FAQ’s
- LIHEAP Website
- Office of Community Services
- CSBG Website
Questions and Answers