

MEMORANDUM

DATE: July 7, 2022

TO: Ted Corrigan, CEO and General Manager

FROM: Laura Sarcone, Director of Customer Service & Marketing

RE: Low Income Household Water Assistance Program (LIHWAP)

The Low Income Household Water Assistance Program (LIHWAP) was created by the Consolidated Appropriations Act of 2021 and expanded by the American Rescue Plan Act of 2021. This temporary program provides funding to assist low-income households with water and wastewater bills. The Office of Community Services (OSC), under the U.S. Department of Health and Human Services and Administration for Children and Families, was tasked with implementing this brand new program, with similarities of the Low Income Home Energy Assistance Program (LIHEAP) established in 1981. The program is active through September 2023 or until funds run out.

Grants were awarded to recipients – states, the District of Columbia, the Commonwealth of Puerto Rico, U.S. territories, and federally and state-recognized tribes and tribal organizations that received fiscal year 2021 LIHEAP grants.

State of Iowa was awarded \$10.1 million. Iowa Department of Human Rights was tasked with establishing eligibility requirement, agreements with vendors (water service providers), and application and payment process. Iowa is administering LIHWAP as a crisis component to address disconnected households and households under threat of disconnection.

In Des Moines Water Works' service area, IMPACT Community Action Agency was selected to coordinate this funding program for Polk County. DMWW staff and IMPACT, with guidance from Iowa Department of Human Rights, began discussions about LIHWAP program for our customers in early June. On October 7, 2021, DMWW signed the LIHWAP vendor (water service provider) agreement with IMPACT and began receiving promise to pay notifications (pledges) on October 8.

DMWW has a long-standing relationship with IMPACT in partnering on previous local and federal funding programs, including DMWW's own funding through Project H2O (Help 2 Others) program. IMPACT has staff and resources to meet with customers to discuss funding programs and eligibility. DMWW is not involved in evaluating income criteria. We work with IMPACT representatives to provide customer past due account balance and disconnection status.

Through IMPACT, LIHWAP assists DMWW customers who have fallen behind in water bills and are facing disconnection of service or have already been disconnected. Assistance is provided in the form of payments made directly to DMWW on behalf of households for past-due charges, fees, and taxes for drinking and wastewater (including stormwater) services. Assistance level depends on income level, family size and other factors. If a household has been approved for heat assistance through LIHEAP, they are already qualified for water assistance.

Throughout the first nine months of the program, DMWW, IMPACT and Iowa Department of Human Rights have worked through complex funding and payment application questions and solutions associated with combined billing (billing for city services, including LIHWAP ineligible non-water services).

To date, State of Iowa has awarded a total of \$4 million in LIHWAP funding. IMPACT has made approximately \$1 million in payments towards DMWW customer accounts. LIHWAP funding has been immensely beneficial to our customers and DMWW's business of running a utility. Previously, unpaid balances would likely have been referred on for property liens or collection agencies, which have their own challenges and success rates.

At the request of the Office of Community Services, DMWW, IMPACT and Iowa Department of Human Rights recently presented to a national audience of water service providers, community action agencies and state departments highlighting Iowa and IMPACT's success in effectively disbursing funds to eligible customers. With DMWW and IMPACT's suggestions, Department of Human has advocated and recommended needed adjustments in grant language to federal partners for a permanent funding program.