

Low Income Household Water Assistance Program

IMPLEMENTATION AND IMPACT REPORT PART ONE

June 2021 – June 2023



ADMINISTRATION FOR
CHILDREN & FAMILIES



Office of Community Services
Low Income Household Water Assistance Program | LIHWAP

EXECUTIVE SUMMARY

Over two million Americans live without access to running water and basic indoor plumbing, and a recent study on water disconnections shows that in certain cities, as many as one in five households were disconnected from water services over a year.^{1,2} One driver of this problem is the rising cost of water bills; the average residential water bill has increased almost 50% since 2010.³ For households with low incomes, these price increases can be particularly devastating when families and individuals are forced to choose between paying for water and other essential needs like housing, food, and medication.

Prior to 2021, there was not a federal program dedicated to providing bill payment assistance to households struggling to afford their water bills. In response to the COVID-19 public health emergency and the critical need to ensure continuous water access to combat the spread of the virus, Congress authorized the first national water assistance program with a total appropriation of \$1.1 billion. In June of 2021, the U.S. Department of Health and Human Services (HHS), through the Administration for Children and Families' (ACF) Office of Community Services (OCS), launched the Low Income Household Water Assistance Program (LIHWAP), an emergency program to restore water services, prevent disconnections, and provide rate reductions for households with low incomes.

Getting assistance to households as quickly as possible required OCS and state, tribal, and territorial partners to leverage existing structures and networks to administer benefits; establish best practices for working with a vast network of water utilities; coordinate with other federal programs to streamline benefit delivery and maximize support; and utilize policy and program flexibilities to respond to unique local needs. **By June 30, 2023, less than a year after all grant recipients started providing benefits, LIHWAP had served over one million households, restored water and wastewater services 85,131 times, prevented disconnections 569,529 times, and reduced 490,838 water bills.** The LIHWAP grant recipient annual reports for Fiscal Year 2022 (FY22) showed that benefits went to households that needed them the most; 55% of households served had vulnerable population members⁴, and 53% of households had incomes at or below 75% of the Federal Poverty Level.⁵

¹Food & Water Watch. (2018). *America's Secret Water Crisis: National Shutoff Survey Reveals Water Affordability Emergency Affecting Millions*. https://www.foodandwaterwatch.org/wp-content/uploads/2021/03/rpt_1810_watershutoffs-web2.pdf

²Roller, Z., Gasteyer, S., Nelson, N., Lai, W., Shingne, M.C. (2019). *Closing the water access gap in the United States*. DigDeep Right to Water Project and U.S. Water Alliance. https://uswateralliance.org/wp-content/uploads/2023/09/Closing-the-Water-Access-Gap-in-the-United-States_DIGITAL.pdf

³Kane, J.W. (2018, Jan 25). *Water affordability is not just a local challenge, but a federal one too*. Brookings. <https://www.brookings.edu/blog/the-avenue/2018/01/25/water-affordability-is-not-just-a-local-challenge-but-a-federal-one-too/>

⁴A household is to be counted for each vulnerable group in which the household has at least one member who is 60 years or older, disabled, or age 5 years or under.

⁵LIHWAP grant recipients used 150% of the Federal Poverty Level, 60% of State Median Income, or another equivalent measure for LIHWAP income eligibility thresholds. Categorical eligibility was also available and is described in greater detail in later sections of this report.

Program Highlights (as of June 2023)



OVER 1M

Households Served



85,131

Water services restored



569,529

Disconnections prevented



490,838

Water bill reductions

Water Need in the United States

The inability to pay for household water is a significant and growing problem in the United States. In 2016 (the most recent multi-city study), 1 in 20 households were disconnected from water services because of nonpayment, and in some cities, as many as 1 in 5 were disconnected.⁶ **Water affordability challenges disproportionately impact households with low incomes, rural communities, communities of color, tribal communities, and immigrant communities.**⁷ While water utility rates across the country vary significantly, research from the Legal Defense Fund indicates that *all* states have estimated water and sewer rates that are unaffordable for families at or below the Federal Poverty Level; these households spend more than 2–2.5% of their monthly income on water bills.^{8,9,10} Data from the Duke University Nicholas Institute for Energy, Environment, and Sustainability indicates that in 29 states (including DC), households at or below the poverty level spend over 5% of monthly income on water and sewer bills.¹¹ In addition to variability in water rates across states, rates also vary significantly within states. For example, in Arizona, customers at one utility pay as little as \$6.40 per month, while customers at another pay up to \$365.34 per month for the same water usage level.¹²

The average residential water bill has increased almost 50% since 2010,¹³ and water rates are increasing at a speed that outpaces other utilities, including electricity and gas.¹⁴ This trend is due, in part, to our nation’s aging water infrastructure. High costs to maintain and repair aging infrastructure contribute to rising costs for water and wastewater services. As one utility that partners with LIHWAP in Massachusetts noted, “Existing rates do not support existing approved capital project and operating costs. Rates will need to be raised substantially [between] 10–20% to support approved projects and required borrowing for said projects.”¹⁵ The consequences of deferring maintenance can result in failing systems and dangerous conditions such as those faced in Jackson, Mississippi, where the city’s largest water treatment plant failed in 2022, leaving tens of thousands of residents without clean water.¹⁶

⁶Kane, J.W. (2018, Jan 25). *Water affordability is not just a local challenge, but a federal one too*. Brookings.

<https://www.brookings.edu/blog/the-avenue/2018/01/25/water-affordability-is-not-just-a-local-challenge-but-a-federal-one-too/>

⁷Montag, C. (2019). *Water/Color: A Study of Race and the Water Affordability Crisis in America’s Cities*. Thurgood Marshall Institute at the NAACP Legal Defense and Educational Fund, Inc. <https://www.naacpldf.org/our-thinking/issue-report/economic-justice/water-color-a-study-of-race-and-the-water-affordability-crisis-in-americas-cities/>

⁸Patterson, L.A., Doyle, M.W. (2020). *2020 Aspen-Nicholas Water Forum: Water Affordability and Equity Briefing Document*. Nicholas Institute for Environmental Policy Solutions, Duke University. https://nicholasinstitute.duke.edu/sites/default/files/publications/2020-Aspen-Nicholas-Water-Forum-Water-Affordability-and-Equity-Briefing-Documents_1.pdf

⁹“Water affordability” refers to a measure of how much is charged to a household and whether it can afford to pay it, and “water assistance” refers to a temporary measure to provide immediate aid with water bills that are unaffordable. For more information on the distinction between the two terms, refer to the [River Network](#) and the [Pacific Institute](#).

¹⁰There are many ways to measure water affordability, and the ability to use these different measures depends in large part on data availability. A [report from the University of Michigan](#) outlines four commonly-used metrics: cost of water (reported or calculated water bills or rates), water burden (cost of water and household income), affordability ratio (cost of water divided by household income minus household expenses), and affordability ratio 20 (cost of water for a four-person family divided by income at the 20th percentile minus household expenses). Here, we are describing the second of these metrics (water burden).

¹¹Water and sewer data from Duke University Nicholas Institute for Energy, Environment, and Sustainability (2022). Represents large and very large utilities at usage rate of 10,000 gallons/month for inside customers. Rates estimated for states and DC only. Calculations conducted by OCS staff.

¹²Zip code-level analysis of data from Duke University; see footnote 11.

¹³Roller, Z., Gasteyer, S., Nelson, N., Lai, W., Shingne, M.C. (2019). *Closing the water access gap in the United States*. DigDeep Right to Water Project and U.S. Water Alliance. <https://uswateralliance.org/wp-content/uploads/2023/09/Closing-the-Water-Access-Gap-in-the-United-States-DIGITAL.pdf>

¹⁴Bluefield Research. (2021, Aug. 23). *Up 43% Over Last Decade, Water Rates Rising Faster than Other Household Utility Bills*. [Press release]. <https://www.bluefieldresearch.com/ns/up-43-over-last-decade-water-rates-rising-faster-than-other-household-utility-bills/>

¹⁵Quote from a Massachusetts utility participating in the LIHWAP Water Utility Affordability Survey; publication forthcoming.

¹⁶Southern Poverty Law Center. (2023, June 28). *Mississippi City’s Water Problems Stem from Generations of Neglect*. <https://www.splcenter.org/news/2023/06/28/timeline-jackson-mississippi-water-problems>

As utilities raise rates to maintain aging systems, these costs will be passed onto households, and those with low incomes will continue to struggle to meet the rising costs.^{17,18}

Households that cannot pay their water bills risk disconnection. Lack of water access can lead to poor sanitation, disease transmission, and increased vulnerability of older adults, pregnant women, children, and people with chronic illnesses.^{19,20} Children may also experience school absenteeism and increased interpersonal conflict.²¹ The importance of water access for sanitation and protection against infections was shown early in the pandemic when researchers at Duke University conducted county-level statistical modeling showing that areas with eviction, water, and utility disconnection moratoria experienced significantly reduced daily COVID-19 infection growth rates.²² In addition to the health impacts of losing water access, disconnections also have negative impacts on household stability, including property liens, foreclosure or eviction (resulting from a lien), economic hardship, and financial stress.

The COVID-19 pandemic and resulting economic fallout exacerbated existing disparities in access to water and further strained individuals' ability to pay their home water and wastewater bills. Though disconnections may have slowed during periods of the pandemic due to utility shutoff moratoria, when those were lifted, many households found themselves with unmanageable arrears and in need of financial assistance.²³



¹⁷National Association of Clean Water Agencies. (2020). *Recovering from Coronavirus: Mitigating the Economic Cost of Maintaining Water and Wastewater Service in the Midst of a Global Pandemic and National Economic Shut-Down*. <https://www.nacwa.org/docs/default-source/resources---public/water-sector-covid-19-financial-impacts.pdf>

¹⁸In 2021, through the Infrastructure Investment and Jobs Act (IIJA), the Biden-Harris administration invested a historic \$350 billion in transportation, climate, energy, environment, broadband, and other infrastructure. This investment is critical for increasing infrastructure capacity across the country through job creation, support for underserved and disadvantaged communities, improving climate resilience, and stimulating local economies (<https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf>). As we look to the future and the full need of water and wastewater infrastructure, the EPA estimates that “the capital cost of wastewater and drinking water infrastructure needed to meet federal water quality and safety requirements and public health objectives exceeds \$744 billion over a 20-year period” (<https://crsreports.congress.gov/product/pdf/R/R46892>). These costs will continue to be passed on to households, disproportionately burdening households with low incomes. IIJA has provided billions in funding for seven major programs dedicated to water infrastructure and access.

¹⁹Levine, L., Whillans, S., Wein, O., Lusson, K., Haynes, B. (2022, June). *Water Affordability Advocacy Toolkit: Accountability and Participation in Decision Making*. National Resources Defense Council and National Consumer Law Center. <https://www.nrdc.org/sites/default/files/water-affordability-toolkit-full-report.pdf>

²⁰Pan American Health Organization/World Health Organization. (2022). *Water and Sanitation*. Retrieved Dec. 10, 2023, from <https://www.paho.org/en/topics/water-and-sanitation>

²¹Rhue, S.J., Torrico, G., Amuzie, C., Collins, S.M., Lemaitre, A., Workman, C.L., Rosinger, A.Y., Pearson, A.L., Piperata, B.A., Wutich, A., Brewis, A., Stoler, J. (2023, June 21). The effects of household water insecurity on child health and well-being. *WIRES Water*, 10(6). <https://doi.org/10.1002/wat2.1666>

²²Jowers, K., Timmins, C., Bhavsar, N. (2020, June 29). *Policy in the Pandemic: Housing Security Policies Reduce U.S. COVID-19 Infection Rates*. Nicholas Institute for Energy, Environment & Sustainability, Duke University. <https://nicholasinstitute.duke.edu/articles/policy-pandemic-housing-security-policies-reduce-us-covid-19-infection-rates>

²³McGeehan, P. (2022, March 19). Utility bills piled up during the pandemic. Will shut-offs follow? *The New York Times*. <https://www.nytimes.com/2022/03/19/nyregion/ny-utility-bill-moratorium.html>

The pandemic also had a significant impact on water utilities. In 2020, the estimated financial impact of COVID-19 on drinking water utilities was \$13.9 billion, stemming from shutoff moratoria, increased residential water consumption, and higher customer arrearages.²⁴ At different points during the pandemic, a total of 34 states and additional localities imposed moratoria on water disconnections, which led to a decrease in bill payments.²⁵ Additionally, U.S. unemployment rose sharply during the pandemic, leaving many households without the means to pay their bills.²⁶ With the loss of some monthly household payments, as many as half of all utilities lost revenue during the pandemic.²⁷ Lost revenue makes it difficult for utilities to keep up with costs like water and wastewater treatment, infrastructure improvements and repairs, and administrative costs. Thus, the expenses of providing water services are rising, especially as much of the country's water and wastewater infrastructure is nearing or beyond the end of its useful life.²⁸ Smaller utilities are especially affected due to having fewer customers relative to the required infrastructure, resulting in less funding being available for repairs.²⁹

²⁴American Water Works Association and Association of Metropolitan Water Agencies. (2020, April 14). *The Financial Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities*. https://www.awwa.org/Portals/0/AWWA/Communications/AWWA-AM-WA-COVID-Report_2020-04.pdf

²⁵Zhang, X., Warner, M.E., & Grant, M. (2022). *Water Shutoff Moratoria Lowered COVID-19 Infection and Death Across U.S. States*. *American journal of preventive medicine*, 62(2), 149–156. <https://doi.org/10.1016/j.amepre.2021.07.006>

²⁶Center on Education and the Workforce, Georgetown University. (2021). *Tracking COVID-19 Unemployment and Job Losses*. Retrieved Dec. 10, 2023, from <https://cew.georgetown.edu/cew-reports/jobtracker/#tool-3-tracking>

²⁷Bostic, D., Grimshaw, W., Cohen, M. *The Impacts of the Pandemic Remain for Small Water Systems and Customers In-Debt*. Pacific Institute. Retrieved Dec. 10, 2023, from <https://pacinst.org/the-impacts-of-the-pandemic-remain-for-small-water-systems-and-customers-in-debt/>

²⁸Bipartisan Policy Center. (2016, September). *America's Aging Water Infrastructure*. <https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2019/03/BPC-Aging-Water-Infrastructure.pdf>

²⁹American Society of Civil Engineers (2021) *2021 Report Card for America's Infrastructure: Drinking Water*. <https://infrastructure-reportcard.org/wp-content/uploads/2017/01/Drinking-Water-2021.pdf>

LIHWAP Authorization and Federal Program Design

In response to the COVID-19 public health emergency and the critical need to ensure continuous water access to combat the spread of the virus, Congress authorized \$1.1 billion in emergency funding to assist households struggling to afford their water bills. This funding included \$638 million from the Consolidated Appropriations Act (CAA 2021) and \$500 million from the American Rescue Plan Act (ARP 2021).³⁰ The Department of Health and Human Services (HHS), through the Administration for Children and Families' (ACF) Office of Community Services (OCS) was tasked with administering LIHWAP. LIHWAP funds were awarded to 49 states, the District of Columbia, five U.S. territories, and 97 Native American tribes and tribal organizations.³¹ The legislation mandated that funds should be used to make payments to owners and operators of water systems on behalf of households with low incomes and therefore did not allow the flexibility to provide a LIHWAP benefit directly to a household.

The legislation also indicated that LIHWAP should “as appropriate and to the extent practicable, use existing processes, procedures, policies, and systems in place to provide assistance to low-income households, including by using existing programs and program announcements, application and approval processes.” OCS therefore leveraged the processes, procedures, policies, and systems of the existing Low Income Home Energy Assistance Program (LIHEAP) in designing and implementing LIHWAP. For example, OCS mirrored LIHEAP's eligibility guidelines for LIHWAP. To be eligible for LIHWAP, households needed to have a water burden or pay a fee that covers the cost of water or wastewater services (e.g., a water bill, tribal membership fee that includes water services, rent that includes water, etc.) and meet income guidelines. Income guidelines established in the [LIHWAP Supplemental Terms and Conditions](#) required households to meet one of the following criteria:

- Have a household income at or below 150% of the federal poverty level
- Have a household income at or below 60% of the state median income
- Be categorically eligible³² through enrollment in another means-tested program such as LIHEAP, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income, or a means-tested veterans' program

OCS also encouraged grant recipients to house LIHWAP in the same agency that administers LIHEAP. Doing so allowed for a more streamlined implementation process and the ability to tap into the extensive service provider networks (including Community Action Agencies and local social service agencies) already in place across the nation. This also allowed grant recipients to leverage established LIHEAP information technology and add additional programming to expedite LIHWAP's administration. Following OCS' recommendation, all participating states chose to house LIHWAP in the same agency as LIHEAP.

Standing Up a Brand New Assistance Program

While OCS leveraged existing processes, procedures, policies, and systems from LIHEAP to design and stand up LIHWAP, significant work needed to be done before grant recipients could begin accepting applications and disbursing benefits. Standing up a new program, particularly one that relies on partnerships with tens of thousands of water vendors, required close collaboration between OCS, grant recipients, local agencies, water utilities, associations, and advocacy groups. A snapshot of the program's lifecycle detailing major accomplishments and milestones is provided on the next page.

³⁰Office of Community Services, Administration for Children & Families. (2021, June 2). *LIHWAP DCL 2021-05 LIHWAP Funding Release*. <https://www.acf.hhs.gov/ocs/policy-guidance/lihwap-dcl-2021-05-lihwap-funding-release>

³¹North Dakota declined LIHWAP funding.

³²LIHWAP Definition of Categorical Eligibility: “categorical eligibility” means that a household is considered to have automatically passed an income eligibility test because a household member has already been determined to meet income eligibility requirements in one of the other means-tested program.

Concept and Initiation

Jan. 2021 - May 2021

1

Establishing LIHWAP and Making Grant Awards (OCS)

- ◆ Recruit and hire staff with water assistance and human services expertise
- ◆ Establish a funding formula in response to authorizing language and gather national data required to calculate funding amounts
- ◆ Gather input from the field to leverage expertise from those working in water and wastewater utility services and affordability landscape
- ◆ Develop LIHWAP framework, policies and procedures, training and technical assistance, and reporting requirements
- ◆ Provide training and technical assistance to ensure grant recipient understanding of terms and conditions
- ◆ Award LIHWAP funds to state, territorial, and tribal grant recipients

Definition and Planning

June 2021 - June 2022

2

Grant Recipient Planning and Defining Local Programs (Grant Recipients)

- ◆ Recruit and hire dedicated staff to administer the program
- ◆ Establish a formula to allocate funding at the local level, gather data required to calculate funding amounts, and establish contracts with local agencies
- ◆ Develop relationships and secure agreements with local water utilities
- ◆ Identify local level needs, program priorities, and benefit levels
- ◆ Design a streamlined application process that protects personal identifiable information, prevents fraud, and sets standards for providing household benefits
- ◆ Establish systems to process payments and track program data and information

Launch and Execution

Oct. 2021 - Sept. 2022

3

Grant Recipients Begin Accepting Household Applications!

- ◆ Montana was the first grant recipient to begin accepting applications for LIHWAP assistance in September of 2021.
- ◆ Other states, tribes, and territories began accepting applications throughout FY22. Most programs began accepting applications by September 30, 2022.

Monitoring and Control

Jan. 2022 - Sept. 2023

4

Monitoring Progress and Information Sharing (OCS and Grant Recipients)

- ◆ LIHWAP grant recipients submit quarterly reports to describe the households served and types of services provided as well as the challenges, best practices, and obligation amounts.
- ◆ Grant recipients also submit annual reports that provide more detailed information about the use of funds and household demographics, including self-reported gender, race, ethnicity, and home ownership status.
- ◆ OCS assesses progress, provides training and technical assistance, and communicates program achievements on a quarterly basis via the LIHWAP Data Dashboard.³³

Closeout

Sept. 2023 - June 2024

5

- ◆ The original closeout dates for the CAA and ARPA LIHWAP grant awards were September 30, 2023 for obligation and December 31, 2023 for liquidation of all funds.
- ◆ Eligible LIHWAP grant recipients had the option to request a six-month extension for one or both funding sources (CAA and/or ARPA) for their LIHWAP grant award. The six-month no cost extension (NCE) will extend the obligation deadline for LIHWAP funds from September 30, 2023, to March 31, 2024. The liquidation deadline will be extended from December 31, 2023, to June 30, 2024. Eighty-nine grant recipients received a NCE.

³³The LIHWAP Data Dashboard can be accessed here: <https://lihwap-hhs-acf.opendata.arcgis.com>

Program Impact on Households

LIHWAP has had a profound effect on households and communities by reducing water debt. The efforts of OCS and grant recipients to monitor this impact through comprehensive quarterly and annual reports, supplemented by research conducted by OCS staff, have provided valuable insights.

Key Findings

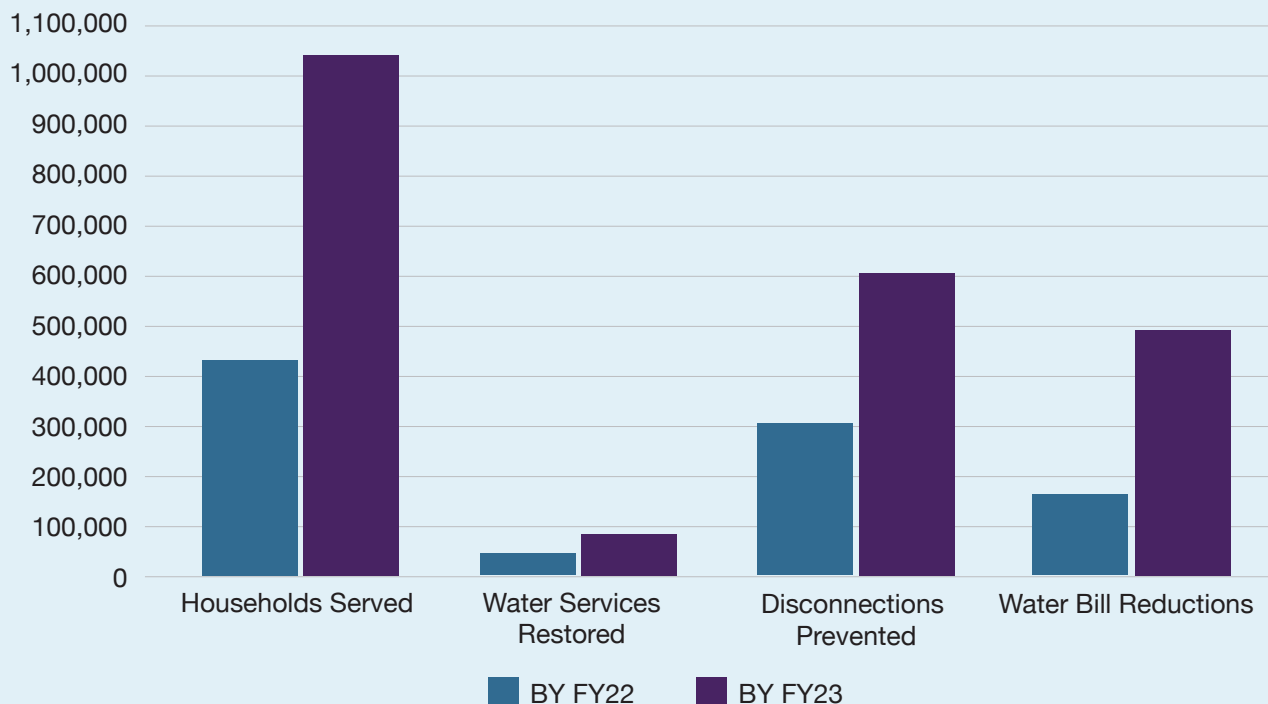
During Federal Fiscal Year 2021 (FY21) and FY22³⁴, the program served 430,942 unduplicated households.³⁵ During this same period, LIHWAP prevented 302,393 disconnections, restored water services 36,564 times, and reduced 162,013 water bills. The average benefit in FY21 and FY22 was \$415 per household, weighted by number of services provided.

Grant recipients have assisted a significant number of households beyond FY21 and FY22. By the second quarter of FY23, **LIHWAP increased households served by 98.4%**, and all participating states had launched their programs. By the end of the third quarter, LIHEAP programs had served over one million households in total. Breaking down the data, in the first three quarters of FY23 (October 1, 2022 through June 30, 2023), LIHWAP served an additional 646,891 households, doubling the amount served in FY21 and FY22 combined. During this same timeframe, grant recipients expanded outreach efforts and paid off water bill arrearages to prevent an additional 299,628 disconnections. Grant recipients also made 46,594 more payments to restore water services and 329,170 new payments for bill reductions.

³⁴Federal fiscal years run from October 1 through September 30 of each calendar year.

³⁵In some states, tribes, or territories, households could receive multiple benefits; the unduplicated count includes each household only once, even if they received multiple benefit payments.

Key Findings for 2022 and 2023



What Have We Learned?

Annual reports submitted by grant recipients include demographic information on LIHWAP applicants and their household members. Out of 124 grant recipients providing annual report data, 104 (84%) provided data on ethnicity, 102 (82%) provided data on race, 94 (76%) provided data on self-reported gender, and 87 (70%) provided data on home ownership status. In FY21 and FY22, 430,942 households and at least 924,562 household members were assisted. Analysis of these demographic characteristics for FY22 showed that American Indians or Alaska Natives and Blacks or African Americans as well as those with extremely low income (under 75% of the Federal Poverty Level), were overrepresented among household recipients, compared to national demographic data. Reaching these populations was critical for ensuring that LIHWAP benefits went to households with the greatest financial need for water assistance; Black and Latino households are twice as likely as White households to lack indoor plumbing, and Native American households are 19 times as likely.³⁶ Low-income households disproportionately comprise communities that lack adequate access to basic water and sanitation, and households of color are more likely to be low-income in the United States compared to White households.³⁷ It should also be noted that race was not reported for 28.78% of household members, thus the actual distribution in the service population might be different. Additionally, Hispanics were underrepresented in reported data compared to national statistics; ethnicity data was unavailable for 28.35% of all household members, so it is possible that this disparity does not exist in the actual households served or exists to a different degree. In addition, some grant recipients had not provided any benefits by the end of the reporting period or had served few households, which could lead to different distributions of demographic characteristics compared to what might be expected. For example, Nevada did not serve any households in FY22, and the American Community Survey estimates that 29% of the population in the state is Hispanic.³⁸ FY22 reporting also showed that an average of 54% of households served had at least one older adult, young child, or individual with a disability. LIHWAP considers these to be vulnerable populations that may experience additional hardships or health consequences from a lack of water access.

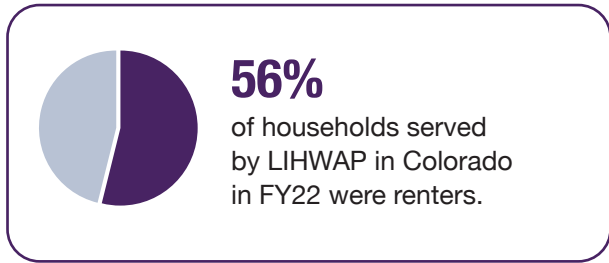
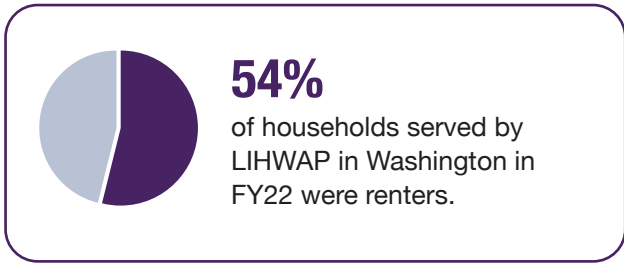
It was also critical for LIHWAP to serve both renters and homeowners; compared to homeowners, a greater proportion of renters are low-income and people of color. Renters also face unique challenges with water arrears and shutoffs including eviction or loss of rent.³⁹ Of households served by LIHWAP in FY21 and FY22, approximately 28% were owned, 26% were rented, and 45% had another or unknown status. Grant recipients also reported the challenge of serving individuals who live in a unit in which water bills are included in the rent and households who own or rent mobile homes and pay for a lot or space that includes water fees to a landlord. Since the LIHWAP legislation required funds to go to owners and operators of water systems, grant recipients had to work with the landlord to develop three-party agreements with landlords and/or the landlord's water service provider and the beneficiary. This became more of a challenge when a third-party company operated as a property manager or billing entity. Grant recipients continue to establish procedures to ensure renters and homeowners are served equitably.

³⁶Roller, Z., Gasteyer, S., Nelson, N., Lai, W., Shingne, M.C. (2019). *Closing the water access gap in the United States*. DigDeep Right to Water Project and U.S. Water Alliance. https://uswateralliance.org/wp-content/uploads/2023/09/Closing-the-Water-Access-Gap-in-the-United-States_DIGITAL.pdf

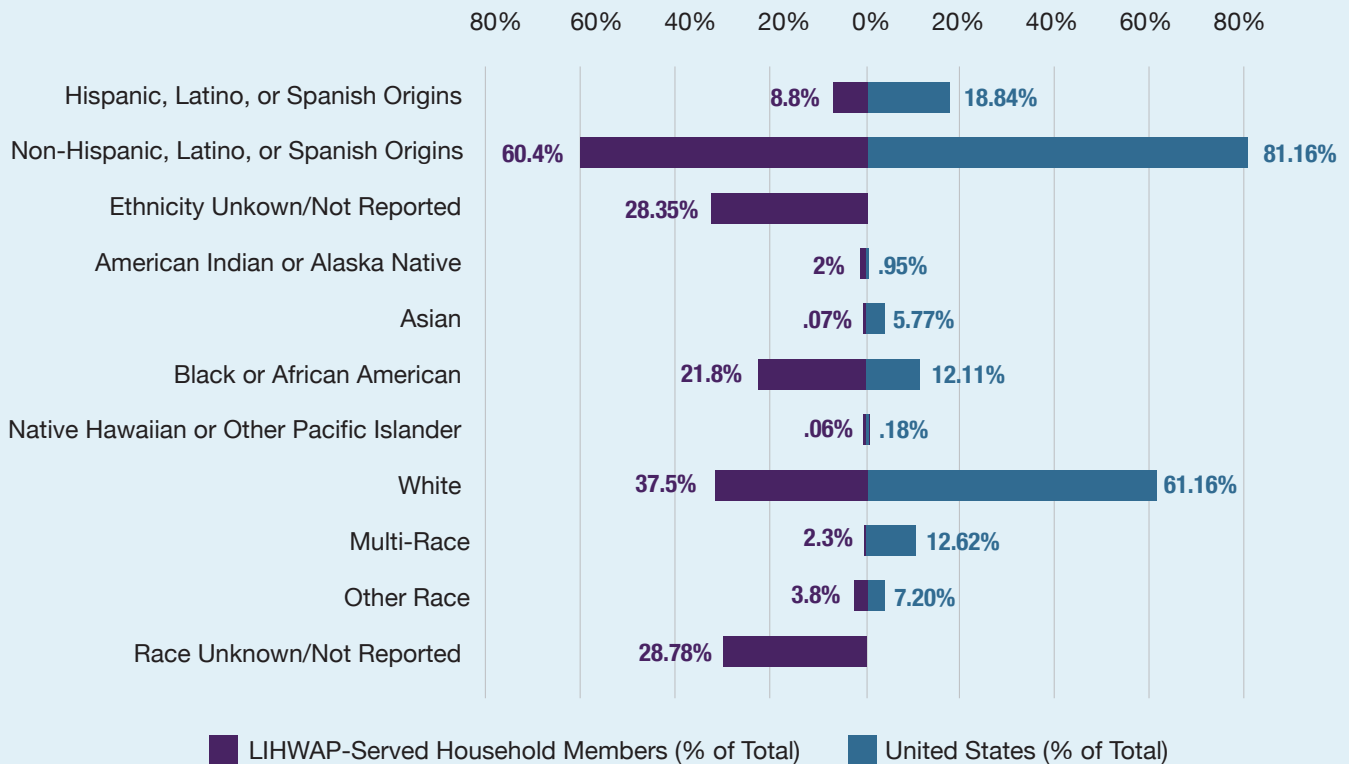
³⁷DigDeep. (2022). *Draining: The Economic Impact of America's Hidden Water Crisis*. <https://www.digdeep.org/draining>.

³⁸ACS Demographic and Housing Estimates. 2021 American Community Survey 5-Year Estimates Data Profiles

³⁹Levine, L., Whillans, S., Wein, O., Lusson, K., Haynes, B. (2022, June). *Water Affordability Advocacy Toolkit: Accountability and Participation in Decision Making*. National Resources Defense Council and National Consumer Law Center. <https://www.nrdc.org/sites/default/files/water-affordability-toolkit-full-report.pdf>



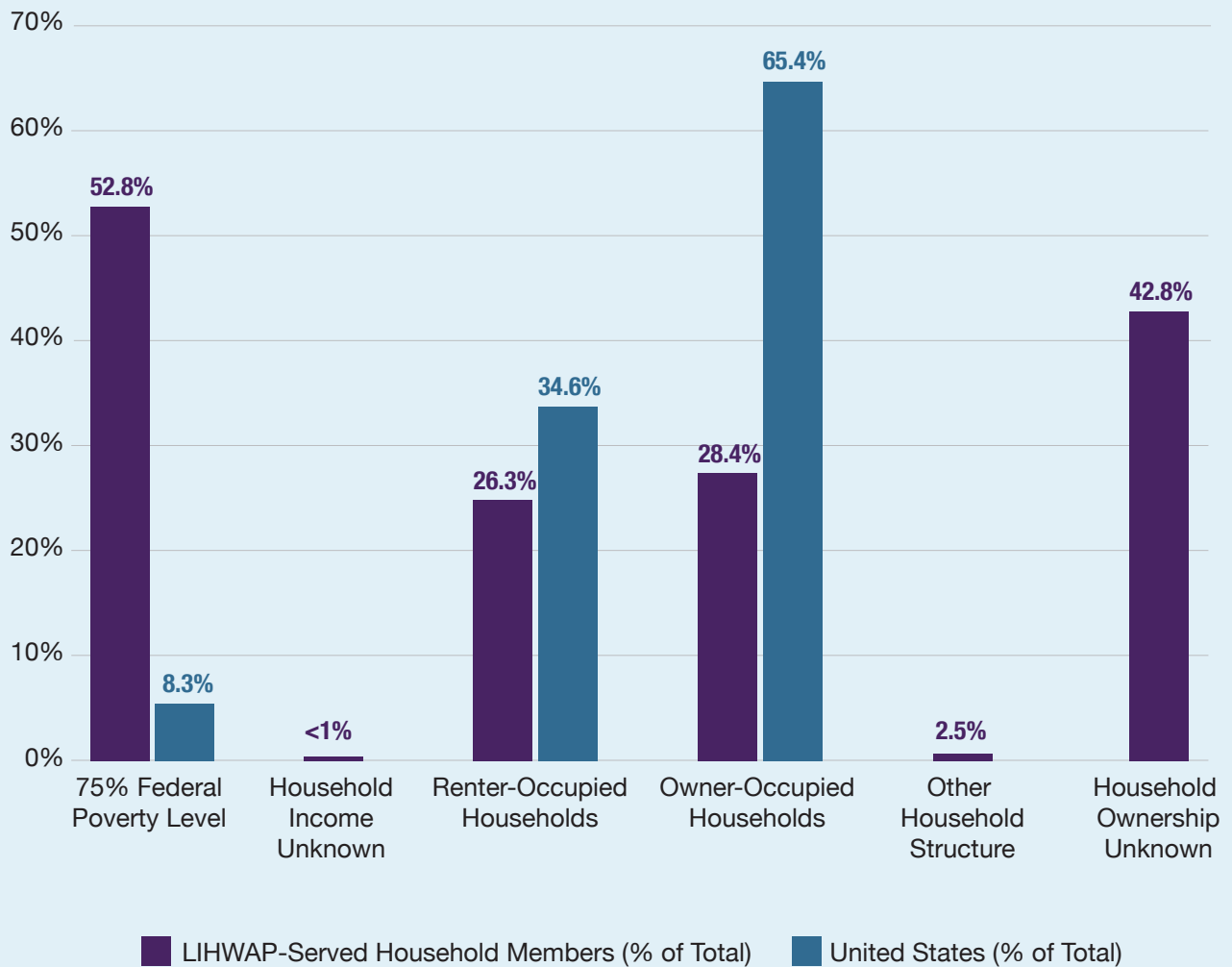
Race and Ethnicity of LIHWAP Household Members Served in FY22 Compared to National Demographic Data⁴⁰



⁴⁰A total of 84% of LIHWAP-submitted Annual Reports provided Race and Ethnicity data for LIHWAP household members. Percentages of LIHWAP household members served do not add up to 100% because grant recipients were not required to report demographic data for all household members. Percentages reflect the total number of household members served, including unreported race/ethnicity data. When grant recipients did not report household member data, household applicant data was substituted.

Self-identified gender was reported for 79.4% of total household members served in FY22. 48.1% of household members self-identified as female (460,846 people), 31.3% self-identified as male (299,943 people), and 0.02% identified as another gender (236 people).

Renter and Very Low-Income Households Served by LIHWAP in FY22 Compared to National Demographic Data



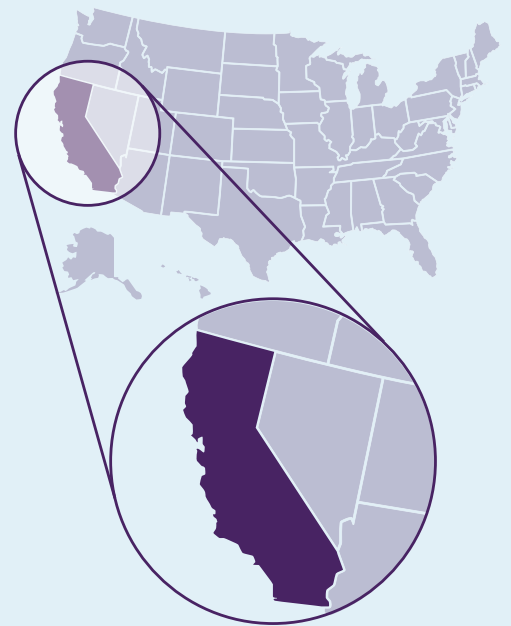
In Partnership with Utilities

The authorizing language for LIHWAP required that program funds be paid directly to owners or operators of public water systems or treatment works on behalf of households enrolled in the program. Thus, forming partnerships with water and wastewater utilities was essential for LIHWAP's success. However, this was no small feat given that there are over 50,000 water and wastewater utilities serving households across the United States. The number of drinking water utilities in a state ranges from 92 in Rhode Island to 4,651 in Texas. The median number of drinking water utilities in a state is 775.⁴¹

Forming partnerships with water utilities was also challenging given the variance among them as the number of households served by utilities ranges from four households to three million, and administrative capacity varies greatly with each utility. Grant recipients conducted outreach to inform utilities of LIHWAP and to enter into vendor agreements with them. Some utilities quickly signed on to participate in LIHWAP while others were hesitant to sign agreements, usually due to the temporary nature of the program or their own lack of capacity (most U.S. water systems are small systems with small administrative staffs; the EPA estimates that 81% of public water utilities in the United States serve populations of 3,300 or less). In a national survey of utility companies across the country conducted by OCS, a majority of respondents of the LIHWAP Utility Affordability Survey had less than five administrative staff, and 54.5% had less than three administrative staff.⁴² These staff oversee all system operations to ensure the production of violation-free drinking water as they face increasing costs, aging infrastructure, and rising regulations. In aggregate, this leaves many small systems with limited capacity. To address these concerns and alleviate administrative burden, OCS provided guidance in September 2022 on how water utilities can participate without a formal agreement. OCS also developed many outreach resources (including an outreach toolkit comprising social media graphics, an FAQ one-pager, and LIHWAP information cards) for grant recipients to couple with their ongoing effort to increase water utility participation. In FY22, LIHWAP grant recipients secured nearly 13,000 agreements with utilities, including rural and tribal utilities.

⁴¹The Enforcement and Compliance History Online (ECHO) dataset, United States Environmental Protection Agency

⁴²This survey included responses from 49 states, 12 tribes, and one territory, and primarily represented publicly owned utilities (which serve the majority of U.S. residents). Survey responses included a greater proportion of medium, large, and very large utilities, and a smaller proportion of small and very small utilities when compared to national distributions of water utility sizes.



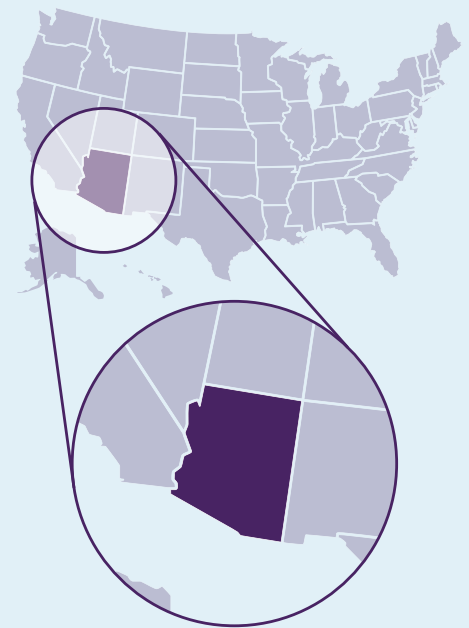
California has almost 3,000 water and wastewater utilities.

From the beginning of its LIHWAP implementation, the California Department of Community Services and Development (CSD) prioritized outreach and enrollment of utilities. CSD contracted with a direct payment coordinator to engage and enroll utilities in the LIHWAP payment management system that allowed it to receive payments on behalf of households. Local agencies also worked to build relationships with utilities. One agency takes application appointments at a utility twice a month. This proved to be a successful approach and the local agency spent all its benefit dollars in record time. CSD continues to work with utilities regularly and has conducted multiple regional outreach events with local agencies and utilities.

Grant recipients and OCS partnered with other organizations to conduct outreach to utilities and encourage participation in LIHWAP. Several national and regional water associations, advocacy groups, and government partners provided valuable support. In Ohio, the state EPA, a trusted source of information for utilities, sent out the state's implementation plan to inform and gather feedback from all utilities in the state. This helped foster communication with over 4,800 Ohio utilities and built relationships and trust from the beginning.⁴³

Through LIHWAP, grant recipients and local agencies formed new and lasting partnerships with utilities. Outreach efforts were bolstered by utilities that worked with LIHWAP administrators to send bill inserts to customers and host local application events. Utilities also leveraged their existing relationships with customers to increase participation in LIHWAP by identifying those in need of bill assistance and referring them to local agencies, or by informing local agencies of households in need.

By supporting households in need, LIHWAP was also able to provide relief to utilities struggling to fund operations. In FY22, LIHWAP benefits paid directly to utilities on behalf of their customers totaled \$388,326,820.20.



The Arizona Department of Economic Security (AZ DES) stood up a bulk payment program with the Tucson Water Department to ease the administrative burden for the utility and households in need of assistance. AZ DES created an online form for Tucson Water Department staff to gather information determining LIHWAP eligibility for customers. Tucson Water Department call center staff used this form to conduct intake for customers. AZ DES created an online form for staff to gather information used to determine LIHWAP eligibility for customers. The information gathered was then reviewed by AZ DES staff in order to approve and issue benefits on behalf of eligible households.

⁴³Ohio Environmental Protection Agency. *Public Water Systems*. Retrieved Dec. 10, 2023, from <https://epa.ohio.gov/divisions-and-offices/drinking-and-ground-waters/public-water-systems/public-water-systems>

“ We certainly have seen a decrease in our overall delinquencies. Putting money in our pocket allows us to continue to operate the utilities. It allows us to meet ongoing maintenance needs and repairs and upgrades... [LIHWAP] has definitely benefited us. ”

— Carol Dawes,
City Clerk and Treasurer Barre City, Vermont

“ It’s a very poor area and it’s always a struggle because of the income base of the people we are serving. We barely do keep our heads above water. Sometimes we can’t make our minimum reserve payments. It’s a struggle for us to make debt service payments we do have. ”

— Mark Lewis,
General Manager, Letcher County Sewage and Water District



Best Practices

State, territorial, and tribal grant recipients designed their programs to meet the unique needs of the communities they serve. Despite variations in program implementation and structure, best practices for effectively and efficiently serving households have emerged across the country. Key best practices are documented below. When appropriate and feasible, OCS has and will continue to encourage grant recipients to implement these strategies.



Adjusting benefit levels for households

Grant recipients have the flexibility to determine their own minimum and maximum benefit payment amounts according to local need. When LIHWAP began, the median maximum benefit amount for state grant recipients, as indicated on implementation plans, was \$1,500, while the median amount for tribes was \$700. As administering agencies received applicant water bills and learned more about the cost of water and wastewater in their area, these payment limits were adjusted to serve households more effectively. After the utility disconnection moratoria enacted during the COVID-19 pandemic ended, many households with low incomes across the country were left with very large past due bills. In several cases, grant recipients raised maximum payment limits to pay the total amounts of these water bills to prevent disconnection of service. Minimum payment limits were also adjusted to ensure households served by systems that had not fallen under disconnection moratoria received the support they needed to prevent service disconnection. Some of these households did not accumulate large past due balances but still needed assistance paying their relatively smaller bills to reconnect or prevent disconnection of services.



Notable example from Texas:

The Texas Department of Housing and Community Affairs (TDHCA) first set a LIHWAP maximum benefit payment amount of \$600. As the state received applications, it became clear that there were households at risk of disconnection with past due amounts much higher than \$600. TDHCA removed its maximum benefit limit to pay the entire bill amount for these households. Since this change, Texas' LIHWAP has been able to fully restore or prevent disconnection for 12,004 households. Without a limit on maximum payments, TDHCA and other grant recipients can serve households that are very far behind on their bills, in crisis, or that are facing extremely high water bills due to pipe leaks or otherwise failing infrastructure that they cannot afford to repair.⁴⁴



Notable example from Illinois:

The Illinois Department of Commerce and Economic Opportunity (Illinois DCEO) set an initial LIHWAP minimum payment of \$250 to prioritize reconnecting those with large past-due bills. However, the state found that most applicants with large past-due bills lived in Chicago, while applicants in the rest of the state had much lower past-due amounts. This was especially true in rural areas, where local agencies noticed that many income-eligible households were not able to receive LIHWAP benefits because their water and wastewater bills were lower than the state's minimum payment of \$250. Illinois DCEO and local agencies found that smaller water and wastewater providers had not paused payments or disconnections during the pandemic, meaning that households served by these providers either continued to pay their bill or had their service disconnected. In both cases, these households did not have high past-due amounts and some were receiving disconnection notices for bills as low as \$20. When local agencies raised this concern with the state, DCEO reduced the minimum benefit to \$50 in June 2022 before removing the minimum altogether in July 2022 to serve rural households more equitably.

⁴⁴Per LIHWAP's authorizing legislation, LIHWAP funds cannot be used for plumbing repairs. More information on this topic can be found on page 19.



Allowing for Credits on Beneficiary Accounts

Providing credits on water accounts has been an effective way to reach more households and promote longer-term water affordability. In 2023, after discussions with grant recipients, OCS provided guidance indicating that it is allowable to leave credits on water and wastewater provider accounts in alignment with LIHWAP'S third priority of rate reduction. This allowed grant recipients to make benefit payments greater than a household's current month or past due bill amount to reduce the rate of water or wastewater bills for future months. Grant recipients used a benefit matrix to determine the amount of credit a household would receive based on factors such as household income, household size, and household water cost and need. Prior to releasing guidance, grant recipients were concerned that amounts determined by benefit matrices could exceed the dollar amount of a household's past due bills and that it would be difficult for them to pay the actual current bill if the amount due had changed since the application's submission. Allowing for credits on accounts permitted grant recipients to issue benefits based on the situational need of the household, rather than on the exact dollar amount of their bill. This practice allowed grant recipients to serve households more equitably as current and past due bill amounts varied greatly among income-eligible households. This variance was due to the vast number of water vendors with differing rates, fee amounts, and disconnection amounts, along with the limited use of water and wastewater disconnection moratoria.



Notable example from Indiana:

During the first year of LIHWAP, the Indiana Housing and Community Development Authority (IHCD) prioritized providing benefits to households that were disconnected or at risk of being disconnected because of past due water or wastewater bills. In reviewing this first year, IHCD noticed that many eligible households that applied to LIHWAP had not received a benefit because they were current on their water bills. Indiana's local agencies informed IHCD that water and wastewater provider payment and disconnection policies varied greatly across Indiana. For example, some households may be disconnected after one month of nonpayment, while others may not be disconnected for several months. In many cases, households facing strict disconnection policies prioritized paying for water over other necessities that may be forgone. LIHWAP was not providing financial relief to these households. To serve more households, Indiana began using a benefit matrix to ensure that all income eligible applicants, regardless of if they were at risk of disconnection, would receive a benefit to pay for past or current bills. For households with no past due amounts, the benefit matrix resulted in amounts that left credits on their accounts and provided an equitable and useful amount of assistance, regardless of their providers' policies.



Data Matching

Data matching, the process of identifying applicants who may be eligible for LIHWAP through other existing databases, has proven to be an effective strategy to expedite assistance to households. Grant recipients can work within their agency, with other agencies, or with water and wastewater vendors to identify eligible applicants by securely sharing eligibility and water need data. Grant recipients have approached data matching in different ways; however, overall, the practice allows for more effective outreach, reduces benefits processing time, and increases households served.



Notable example from Puerto Rico:

LIHWAP's income eligibility requirements align with several existing low-income programs, such as LIHEAP, TANF, and SNAP. The Puerto Rico Departamento de la Familia, the LIHWAP grant recipient, also administers the Nutrition Assistance Program (NAP)⁴⁵, which has the same income requirements as LIHWAP. To streamline the application process in Puerto Rico, if a household or applicant receives one of these benefits, they are automatically income eligible to receive LIHWAP under categorical eligibility. Beyond income verification, OCS requires that proof of water burden be obtained for each beneficiary, which is usually verified by water bills or by records from the water provider. In its data matching process, Puerto Rico obtained a list of customers with past due bills from the largest water vendor on the island that serves 97% of the population. From this list, Puerto Rico identified households who had previously received a NAP benefit and automatically paid their LIHWAP benefit to the water provider without applicants needing to fill out any paperwork. Using this approach, Puerto Rico was able to provide over \$4.5 million of LIHWAP benefits to 11,261 households in just five months.



Notable example from Virginia:

The Virginia Department of Social Services (VDSS) administers both LIHEAP and LIHWAP. The state has used data matching processes to work with 85 water and wastewater vendors to determine categorical eligibility and conduct outreach to households. All participating vendors in Virginia signed a vendor agreement stating they would provide their list of customers with past due bills to VDSS. The state then cross-referenced this list with its list of past LIHEAP recipients who are categorically eligible for LIHWAP and sent these households a text message with information on how to apply. Using this technique, Virginia was able to provide over \$9.5 million of LIHWAP benefits to over 13,000 households in its first three months of program operation.

⁴⁵Puerto Rico administers NAP in lieu of SNAP.



Collaborative Outreach

LIHWAP's novelty as the first-ever federal water bill payment assistance program meant that grant recipients had to be thorough in their outreach approaches. When programs opened, many households were unfamiliar with LIHWAP and grant recipients had to develop creative strategies and partnerships with local agencies, vendors, and other organizations to reach eligible households.



Notable example from Michigan:

The Michigan Department of Health and Human Services (MDHHS) sent text messages directly to nearly 600,000 households encouraging them to apply for LIHWAP. Potential applicants were sent a series of text messages beginning with a simple question: "Behind on your water bill?" Additional informative messages followed, encouraging households to apply. The messages were geographically tailored to direct applicants to the local agency serving their area. Local agencies worked with MDHHS to create the messages and process the resulting applications. Since this outreach has occurred, Michigan has increased its households served by 339% from 4,609 households served by the end of FY22 to 20,218 households served by June 30, 2023.



Notable example from Pennsylvania:

The Pennsylvania Department of Human Services (DHS) leveraged state legislators to help spread the word about LIHWAP early in its program's administration. DHS shared detailed information about the program with the state's Office of Legislative Affairs in preparation for public inquiries. This information was available for reference whenever legislators received inquiries from constituents and was shared widely as interest in and awareness of the program grew. Some legislators hosted town halls and listening sessions regarding LIHWAP, and others shared information about the program on social media. Pennsylvania also made sure that client advocates and other interest groups in the state were informed about LIHWAP and provided information to share through their networks.



Notable example from the Lumbee Tribe of North Carolina:

LIHWAP staff at the Lumbee Tribe of North Carolina worked collaboratively with the tribe's housing, support services, and energy program departments to reach households. These departments helped identify hard-to-reach members and areas of the community for targeted outreach. The Lumbee Tribe sent outreach teams into these communities and shared information through churches and community meetings. Many tribal members were not able to drive to the LIHWAP office to fill out an application, so staff traveled weekly to assist local clients. The Lumbee Tribe also worked with the local water provider who promoted LIHWAP to tribal members facing disconnection.



Implementing Program Funding Flexibilities:

While LIHWAP's legislation dictates that payments must be made to owners or operators of public water systems or treatment works, some households are not served by these systems and it is impossible to meet their water and wastewater needs without making a payment to another entity. To be responsive to these needs and to ensure that all eligible households in areas without a functional public water system or treatment works could maintain water/wastewater services, OCS examined and identified every possible allowable use of funds permitted by LIHWAP legislation. These flexibilities included supplying bottled water to households, providing septic tank services, and filling water cisterns; OCS provided [specific guidance](#) on when these flexibilities could be utilized.

- **Bottled Water:** Grant recipients can use LIHWAP funds to provide bottled water to households where clean water is not otherwise available, which includes in areas with lead-contaminated drinking supply systems, remote communities without access to public water systems, or in areas facing water scarcity due to [disaster](#). Water bottles can be provided through delivery services or by pickup.
- **Water Cisterns:** Grant recipients could pay vendors to fill water cisterns for households not connected to a drinking water system, typically in remote areas. Water cisterns are a type of tank used to hold a household's supply of water, and they are usually refilled on a semi-regular basis, such as every three or four months depending on rainfall.
- **Septic Tanks:** Grant recipients can define wastewater treatment to include septic tank pumping in areas not serviced by wastewater (sewer) systems if payments are made by the grant recipient directly to a vendor. Many rural areas across the country rely on septic tanks for wastewater treatment and could not maintain continuous wastewater treatment without this flexibility.



Notable example from San Carlos Apache:

Many members of the San Carlos Apache Tribe of Arizona do not have access to clean, piped drinking water. The Tribe therefore utilizes LIHWAP flexibilities to provide bottled water to eligible households on a monthly basis. San Carlos Apache Tribe has a formal agreement with a local supermarket for eligible households to receive ten cases of water a month. If a beneficiary is unable to pick up the water bottles themselves, the tribe delivers the water to them. In FY22, 1,697 households received bottled water through San Carlos Apache's LIHWAP.



Notable example from Seneca Nation:

Low-income households in rural areas not serviced by wastewater (sewer) treatment systems often must use septic tanks. Septic tanks typically must be serviced, or pumped, every three to five years. In administering LIHWAP, the Seneca Nation of Indians of New York found that some tribal households using septic tanks were behind on tank maintenance because they could not afford tank servicing. Seneca Nation contracted with a local company to provide these services to several households with high need.



Collaboration with Local Agencies

Long before LIHWAP was created, state grant recipients used networks of subcontracted local agencies to administer various anti-poverty programs (such as LIHEAP and the Community Services Block Grant). These local agencies partner with states on outreach, administration, intake, and eligibility determination. Collaborating with this strong network of partners was helpful for setting up LIHWAP in many states. States worked with these local agencies to design state plans as well as develop and implement outreach strategies. Most importantly for this new program, local agencies worked closely with states to identify problems and potential program improvements in real time while administering the program on the ground level.



Notable example from Kentucky:

The Kentucky Department for Community Based Services (DCBS) contracts with 23 local agencies, called Community Action Agencies (CAAs), across all 120 counties of the state to administer a variety of anti-poverty and self-sufficiency programs. During its implementation of LIHWAP, the state leveraged its existing strong and collaborative CAA network and held weekly training calls to discuss establishing the program and gather feedback to inform program changes. In addition to the calls, CAAs used state training materials to educate the water utilities in their areas immediately about the benefits of LIHWAP to both the utility companies and households. Thanks to these partnerships, Kentucky rapidly served 38,901 households and exhausted all funding in seven months, becoming the first state to run out of LIHWAP benefit funding. Kentucky's first round of funding was used to restore 2,121 water connections, prevent 23,365 water disconnections, and provide rate reduction for 19,322 households.⁴⁶

CAAs work to empower individuals, families, and communities through a variety of social services. Kentucky's Community Action Partnership saw LIHWAP as a way to strengthen and support the services it already offers. "If you don't have reliable water and wastewater systems in a community, it threatens your economic development, it threatens the health of the community and the health of families and individuals in that community," said Roger McCann, Executive Director of Community Action Kentucky.

⁴⁶OCS implemented a process for reallocating funds that were forecast to be unobligated by September 30, 2023. Grant recipients that had expended at least 75% of their funding by March 1, 2023; forecast disbursing all of their existing grant funds by September 30, 2023; and had a need for additional funding were eligible to receive part of these reallocated funds.



Redeeming Property Liens

Several states have struggled to provide benefits to households with liens on their property because of past due water and wastewater bills. These liens were placed on properties before the availability of LIHWAP assistance. In all states, households served by publicly owned water and wastewater utilities are subject to having liens placed on their property for delinquent bills.⁴⁷ Liens due in part or in full to delinquent water bills can be sold at auction sales and potentially lead to loss of home ownership, and liens can be placed on homes for past due amounts as low as a few hundred dollars.

Though water liens are allowed by every state, laws vary by municipality, and they are more common in some states than others. A few LIHWAP administering agencies have been successful in working with municipalities and applicants to redeem property liens because of past due water and wastewater bills and put households a step closer to restoring their property rights.



Notable example from New Jersey:

When the New Jersey Department of Community Affairs (DCA) began processing LIHWAP applications, it found that many applicants had liens placed on their homes that had already been sold to lienholders because of past due wastewater bills. Beyond issuing LIHWAP benefits to households in this situation, New Jersey DCA became involved in the process of releasing the liens once payments were made. This process involved negotiating with tax collectors' offices, lienholders, and homeowners. New Jersey DCA communicated with tax collectors' offices to determine the cost of releasing liens. If the amount due was below New Jersey's maximum benefit payment of \$5,000, New Jersey DCA paid the entire cost. It also worked with NJSHARES, a non-profit corporation organized to provide assistance to households in financial crisis who need temporary help paying their water and energy bills. When New Jersey DCA could not pay the full amount due to release the lien because it was above \$5,000, it notified NJSHARES, and NJSHARES then paid the additional amount needed to release the lien.

In addition to successfully paying off liens, the New Jersey DCA worked to secure measures to prevent liens being issued in the first place. Due to its efforts, the New Jersey legislature released guidance to tax collectors advising them to not place liens on households with past due water and wastewater bills if they have applied for LIHWAP. New Jersey DCA gave tax collectors access to its online LIHWAP portal so they could check to see if a household has an application. Additionally, liens could not be placed, sold, or enforced for unpaid balances if the water or wastewater provider had not signed a vendor agreement, which would prevent the household from being able to receive a LIHWAP benefit.⁴⁸

⁴⁷Levine, L., Whillans, S., Wein, O., Lusson, K., Haynes, B. (2022, June). *Water Affordability Advocacy Toolkit: Water Liens*. National Resources Defense Council and National Consumer Law Center.
<https://www.nrdc.org/sites/default/files/water-affordability-toolkit-section-4.pdf>

⁴⁸New Jersey Legislature (2023, March 20). *Bill A5020*.
https://www.njleg.state.nj.us/bill-search/2022/A5020/bill-text?f=A5500&n=5020_S1

Facing Challenges

In implementing and administering a new federal program tasked with expediting benefits during a pandemic, OCS and grant recipients faced multiple barriers and challenges from issues related to bundled billing, moratoria expirations, and plumbing repairs. OCS worked with partners to mitigate challenges and overcome barriers to serve households in need across the country.

Differences Between Water Assistance and Energy Assistance

As discussed above, LIHWAP's authorizing legislation instructed that the program should use the processes, procedures, policies, and systems of existing assistance programs serving households with low incomes. OCS relied on LIHEAP's infrastructure to guide program development given the programs' shared aim to provide utility assistance. While LIHEAP and LIHWAP provide similar services and meet similar household needs, there are significant differences in the water and energy landscape as well as differences in the programs' authorizing language that created challenges during the implementation and administration of LIHWAP. For example, there are far more water utility companies than home energy providers. Compared to 50,000⁴⁹ water utility companies, there are approximately 2,022 natural gas delivery companies⁵⁰, 3,000 electric distribution companies⁵¹, and 4,000 propane companies.⁵²

Standing Up a New Program

LIHWAP is the first-ever federal water bill assistance program, and as such, a significant amount of work had to be done upfront to get the program running before benefits could begin to go out to households. Specific knowledge related to the water landscape across the United States and capacity to administer a water affordability program needed to be built among federal, state, and community agencies, which contributed to the need for additional time to stand up the program. At the federal level, much work went into ensuring that funding was allocated equitably and appropriately, as well as structuring and hiring a team that had the content and methodological expertise necessary for supporting LIHWAP grant recipients. At the grant recipient level, time was dedicated to establishing agreements with water utilities and to adapting processes for issuing payments. Some grant recipients were able to quickly adapt their administrative process to include LIHWAP, while others (particularly smaller grant recipients with lower overall administrative capacity) required more time and training and technical assistance to develop and implement protocols for their individual LIHWAP programs.

Bundled Bills

Many utilities bundle multiple services on a single household bill. For example, trash, sewer, electricity, and water may all appear on a single bill. Per the LIHWAP authorizing legislation, grant recipients may only make payments for the water and/or wastewater portions of the bill. Many larger utilities have been able to program their information technology systems to apply LIHWAP benefits only to the appropriate section(s) of the bill. However, some utilities found it too time-consuming, costly, and challenging to manually split the charges to make sure only water and wastewater were paid for with LIHWAP funds.

To mitigate this challenge and better assist households served by utilities that were unable to split the charges or reticent to reconnect water services without payment for other services (e.g., trash), OCS examined what other federal programs could be leveraged to fully meet households' needs.

⁴⁹U.S. Environmental Protection Agency. *Enforcement and Compliance History Online (ECHO)* [Data set]. <https://echo.epa.gov/>

⁵⁰U.S. Energy Information Administration. (2020, July 31). U.S. homes and businesses receive natural gas mostly from local distribution companies. *Today in Energy*. <https://www.eia.gov/todayinenergy/detail.php?id=44577>

⁵¹U.S. Energy Information Administration. (2019, Aug. 15). Investor-owned utilities served 72% of U.S. electricity customers in 2017. *Today in Energy*. <https://www.eia.gov/todayinenergy/detail.php?id=40913>

⁵²National Propane Gas Association. (2019). *Today's Propane*. <https://www.npga.org/wp-content/uploads/2020/12/NPGA-Today's-Propane-2019.pdf>

Authorized by CAA and ARP, the Emergency Rental Assistance Program (ERA) provided over \$46 billion to assist rental households that were unable to pay rent or utilities. ERA funds were provided directly to states, U.S. territories, local governments, and tribes.⁵³ As ERA funds could be used for utilities on bundled bills that LIHWAP could not pay for, OCS [encouraged](#) LIHWAP grant recipients to coordinate with ERA to braid resources to provide comprehensive service to households.

Household Plumbing

Many grant recipients reported challenges regarding the need for resources to support minor household plumbing repairs. These repairs were needed to ensure households could afford access to water and wastewater services. A minor plumbing issue, such as a running toilet or dripping faucet, can exacerbate water affordability for households with low incomes. For example, some households that have had water services disconnected for nonpayment of arrearages accumulated in part due to plumbing issues, may require minor repairs (e.g., the repair of a dripping faucet or leaking pipes) to make their water affordable. Minor repairs can help make water more affordable in the long run for households.

Since LIHWAP funds could not be used for payments to contractors or payments made directly to households for minor plumbing repairs, OCS issued guidance to encourage LIHWAP grant recipients to leverage other available resources to support small infrastructure needs for families receiving a LIHWAP benefit, including Community Services Block Grant funds.⁵⁴

Moratoria

In the beginning of COVID-19, many states and localities enacted moratoria in which households' water and wastewater services could not be disconnected for lack of payment. Individuals with low incomes were already having to make difficult choices between paying for their water bill or paying for other vital goods and services such as medicine, groceries, and other household items. Once the moratoria were no longer in place, many households began applying for LIHWAP funding to pay their past due balances and found that their water bill exceeded the maximum benefit amount. Additionally, in some areas, the end of moratoria led to an influx of applications and higher levels of need later into the program's implementation when program funds were dwindling. LIHWAP federal staff provided comprehensive technical assistance to grant recipients to demonstrate how LIHWAP could be used to increase the maximum benefit amounts to address large balances due to moratoria.

⁵³Only CAA ERA funds were provided directly to tribes.

⁵⁴Office of Community Services, Administration for Children & Families. (2021, Aug. 9). *LIHWAP DCL 2021-13 CSBG Coordination FY2021*. <https://www.acf.hhs.gov/ocs/policy-guidance/lihwap-dcl-2021-13-csbg-coordination-fy2021>

Next Steps

Over the course of the last two years, LIHWAP has been a lifeline to communities in need. As COVID-19 and the subsequent economic instability and inflation exacerbated water and wastewater bill debt, LIHWAP provided emergency relief to households with low incomes and became the first-ever federal program that enabled states, territories, and tribes to expand access to affordable water and wastewater services.

Building the first federal household water assistance program at the height of a global pandemic was a challenging undertaking. However, dedication, adaptability, and collaboration between the Department of Health and Human Services' Office of Community Services, grant recipients, and water utilities made LIHWAP possible and successful. Through flexible programming molded by each grant recipient, LIHWAP provided rate reductions for households struggling to pay their water bills, prevented the disconnection of water and wastewater services, and reconnected households that had been disconnected from services. LIHWAP has illuminated the ongoing financial, socioeconomic, and health costs of water and wastewater in the United States, while making strides to improve access to affordable water for all.

In response to the challenges cited above and after hearing from multiple grant recipients that additional time would allow them and their sub-recipients to fully expend their awards and provide benefits to additional households in need, OCS gave grant recipients the option of seeking a No Cost Extension (NCE). This optional six-month NCE extended the obligation deadline for LIHWAP funds from September 30, 2023, to March 30, 2024, and extended the liquidation deadline from December 31, 2023, to June 30, 2024. Eighty-nine grant recipients sought and received the NCE.

LIHWAP will continue to help households across the country maintain continuous access to water and wastewater services. As we get closer to the obligation and liquidation deadlines, OCS will continue to provide training and technical assistance to grant recipients and encourage the use of best practices while documenting any new successes, lessons learned, and challenges to inform any potential future water assistance programs.

Additional Information and Resources

For more information about LIHWAP and Water Utilities:

- [How Can LIHWAP Help Water Companies: An Introduction for Water Service Providers](#)
- [The Low Income Household Water Assistance Program Data Dashboard](#)
- [Find the LIHWAP Administrator in Your State, Territory, or Tribe](#)
- [State Implementation Plans](#)
- [Outreach Toolkits](#)
- [Grant Recipient Spotlight Videos](#)

