

	OFFICE OF THE CHIEF FINANCIAL OFFICER	Category	Lifeline Plan
		Administrative Policy #	500-CS-Lifeline Plan
		Revision #	1
		Review Frequency	Every six months as funding exists
Administrative Division	Billing & Collections	Reviewed By	Chief of Staff, General Counsel, Chief Customer Service Officer; Finance Department
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Implementation Date	8/1/2022	Resolution #	22-0858; amd. 23-0100; amd. 24-0

1. OBJECTIVES

1.1. To outline Detroit Water and Sewerage Department’s (DWSD) Lifeline Plan.

2. PURPOSE

2.1. The DWSD acknowledges there are residents in our community who are unable to pay their full water, sewerage and drainage charge bill because their household income is below certain poverty indicators. Service interruptions are not a viable collection tool for these low-income customers. Non-Residential customers and residential customers with the ability to pay are still subject to a service interruption for non-payment.

2.2. Water advocates and affordability experts have opined that the financial burden for water and sewerage services shall not exceed 1.8% of household income for households falling under certain income thresholds, and that affordability programs shall include plumbing repairs to promote conservation, as well as arrearage forgiveness. The DWSD endeavors to ~~implement-implement~~ a three-tier, income-based water affordability plan incorporating the above principles using ~~currently~~-available funding from federal, state and philanthropic resources ~~Low Income Household Water Assistance Program (LIHWAP)-funding from the federal and state government~~ and DWSD’s allocation of Water Residential Assistance Program (WRAP) funds, ~~as well as other utility payment assistance and affordability programs.~~

2.3. DWSD will vigorously advocate for long term funding to continue the Lifeline Plan beyond the anticipated availability of existing funding resources. DWSD also commits to receiving feedback on this plan to assess refinements and improvements.

2.4. This policy remains in effect if there are sufficient funding resources to cover the arrearage forgiveness and payment gap between capped tier amount and actual bill.

2.5. This policy establishes roles and responsibilities for the Plan components.

3. DEFINITIONS

“Affordability” means that residential customers can pay for water and wastewater services, regardless of their income, without having to forgo other necessary expenses

water services, bills can be paid in full, on time, and do not incur compounding debt.

“Arrearages” for purposes of this policy means all unpaid past due amounts prior to enrollment in the DWSD Lifeline Plan.

“Assistance” can be defined as a discount or other form of financial assistance on water services, such as debt forgiveness.

“CCF” means centum cubic feet of water. One CCF is equivalent to 748 gallons.

“Customer” for purposes of this policy means a property ~~t~~owner or ~~t~~tenant that establishes a single-family residential account in ~~o~~owner or ~~t~~tenant’s name for DWSD services and occupies the residence.

“Gap Amount” means the difference between the assigned Tier payment and the actual charges included with Lifeline Plan Services.

“Lifeline Plan Services” means water and sewer consumption up to the allocated CCF based on household size, plus related services charges, plus assessed drainage charges.

“Payment Plan” means DWSD’s EasyPay Plan or its equivalent, either administered by DWSD directly or through an authorized third-party vendor.

“Program Arrearage” means an unpaid amount due after enrollment in the Lifeline Plan that appears as a “Balance Forward” on the Customer’s bill.

“Third Party Administrator” or “TPA” means the agency responsible for administering LIHWAP, WRAP or other funds and determining eligibility for customers applying to the DWSD Lifeline Plan.

“Tier 1” criteria means a customer/applicant’s household income at or below 135% of Federal Poverty Guideline. (SNAP/FAP Eligible¹)

“Tier 2” criteria means a customer/applicant’s household income is greater than 135% of Federal Poverty Guideline (FPL) but at or below 150% of FPL (“Low Income”).

“Tier 3” criteria means a customer/applicant’s household income is greater than 150% of FPL but at or below 200% of FPL. (“Moderate Income”).

“Water Conservation Measures program” or “Conservation program” means a water audit to determine whether unnecessary, unconsumed water loss occurs in the household, the nature of plumbing repairs required to prevent such loss, and repair of internal plumbing fixtures necessary to prevent water loss.

4. SCOPE

4.1. This policy applies to all Customers who applied for or are enrolled in the Lifeline Plan.

4.2. This Lifeline Plan applies only to single family residences.

5. RESPONSIBILITIES

5.1 Customer

Conditions Agreement.

- 5.1.2. As a condition of eligibility and participation in the Lifeline Plan, the Customer must have an active account on the DWSD Customer Portal at CSPortal.detroitmi.gov during their enrollment in DWSD Lifeline Plan.
 - 5.1.3. To the extent possible, Customer must agree to allow DWSD and its affiliates to communicate with them using electronic means, including phone, voicemail, automated messages, email, text/SMS, and/or other electronic means as a method of communicating important account and water usage information on an as needed basis. Translations from English to French, Spanish, Arabic, and Bengali will be made available to customers in need. For those with lack of access to online communications, paper-only communications will be made to customers in need.
 - 5.1.4. Customer must apply for the Lifeline Plan with the Third Party Administrator.
 - 5.1.5. Customer must have a functioning water meter in their residence that can record actual usage.
 - 5.1.6. Customer must agree to upgrades in metering system as they become available.
 - 5.1.7. Customer must agree to participate in water conservation audits and plumbing repairs, if necessary.
 - 5.1.8. Customer must agree to apply for other payment assistance programs in addition to LIWHAP or WRAP, as needed.
- 5.2. Third Party Administrator (Including Affiliates)**
- 5.2.1. Determines Customer eligibility and enrolls customers into the Lifeline Plan, determines which Tier applies to Customer, and provides DWSD with a report of Tiers by account.
 - 5.2.2. Determines compliance regarding the use of assistance funds and maintains and makes available to DWSD ongoing records of the amounts and sources of assistance utilized for each customer for each billing cycle.
 - 5.2.3. For enrolled Customers whose monthly water consumption exceeds the allocated CCF in any month, places Customer in the Water Conservation Measures program, and makes payment for qualified repairs.
 - 5.2.4. Provides monthly enrollment reports to DWSD, which denotes enrolled Customers and Tiers to be applied during the billing cycle.
 - 5.2.5. Assists Customer with application to other payment assistance programs, as needed, and provides case management services.
- 5.3. DWSD – Finance Department**
- 5.3.1. Flags enrollee accounts in the Customer Information System (CIS) to ensure accounts remain protected against water service interruptions.
 - 5.3.2. Applies Third Party Administrator information to Customer accounts and Billing Unit issues billing statements.

Commissioners.

5.4. DWSD - Public Affairs

- 5.4.1. Executes a robust education and outreach campaign regarding Lifeline Plan, including, but not limited to, community meetings, door hangers, door-to-door outreach, mailings, social media, and robocalls.

6. POLICY

6.1. No Adverse Action Against Customers Applying for or Enrolled in Lifeline Plan

- 6.1.1. DWSD exempts all applicants and enrolled Customers from any collection action for arrearages, including service interruption, ~~while Customer remains in Lifeline Plan.~~

6.2. Application to Lifeline Plan

- 6.2.1. Customers who are eligible for SNAP benefits, LIHEAP benefits or Medicaid are deemed income eligible to apply for Lifeline Plan.
- 6.2.2. Customers must apply to Third Party Administrator, who determines eligibility for Lifeline Plan and payment Tier.
- 6.2.3. To participate in the Lifeline Plan, Customers must allow DWSD to enter their home to inspect and/or install and/or upgrade their metering system to ensure accurate reads.
- 6.2.4. Third Party Administrator will evaluate household income and assign Customer to the appropriate Tier.
- 6.2.5. Customers whose income falls within one of the three Tiers will remain in the Lifeline Plan as long as they remain income eligible and otherwise comply with all Plan requirements, and as long as funding exists to support the Plan.

6.3. Calculation of Lifeline Plan Payment

- 6.3.1. **Tier Base Rate.** Based on household income, the Customer's monthly payment for water, sewer, drainage and service charges are capped at one of three tiered rates, as follows²:

Tier 1 – \$18/month if household income is 135% or less of Federal Poverty Level (FPL)

Tier 2 = \$43/month if household income is above 135% of FPL but equal to or less than 150% of FPL

Tier 3 = \$56/month if household income is above 150% of FPL but equal to or less than 200% of FPL

² Capped amount for each Tier will be calculated at 1.8% of the average household income in Detroit for "SNAP eligible," "Low-Income," or "Moderate-Income" households as reported in data gathered for the APPRISE Incorporated water affordability study. *Water Affordability Study Survey of Programs – In-Depth Analysis*, Prepared

- 6.3.2. **Usage Included in Tier Rate.** The tier base rate covers the following gallons of usage/CCFs, which is based on number of household occupants:

Number of Household Occupants	Gallons/CCF of Usage per Month Included in Tier Base Rate
0-4	4,500 gallons/6 CCF
5-6	6,750 gallons/9 CCF
7-8	9,000 gallons/12 CCF
9-10	11,250 gallons/15 CCF
11+	13,500 gallons/18 CCF

- 6.3.3. **Change in Number of Household Occupants.** If number of household occupants increases, Customer may request that their CCF allocation be increased to maintain their Tier Base Rate. Third Party Administrator must verify household occupants have increased and will also reverify household income to determine appropriate Tier.
- 6.3.4. **Consumption Over the Monthly Amount Included Base Tier Rate.** For water usage over allocated gallons/CCF, Customer's monthly payment will be calculated based on the assigned Tier and household size plus a charge for water usage over the allocated CCF. Sewer usage charges associated with the water consumption over base allocated gallons are at the standard published rates and capped at 12 CCF regardless of household size

Example:

Tier 1 Customer with a 4-person household uses 6,000 gallons of water in one month (8 CCF) for a total bill of \$107.69

Customer owes \$18, plus \$20.06 (for additional 2 CCF water/sewer) = \$38.06.

- 6.3.5. In addition to the required Tier payment, the total amount due on the bill will include any adjustments and balance forward, as well as overage charges as defined elsewhere in this policy.
- 6.4. **Water Conservation Measures to Reduce Monthly Bill**
- 6.4.1. DWSD will notify enrolled Customers by automated outreach call and letter when there is water usage during non-peak hours (12 a.m. to 4 a.m.) in any month so that Customer can take action to prevent going over the allocated CCF or to address any

www.esportal.dcdorham.gov.

- 6.4.3. When usage exceeds the allocated CCF in any month during enrollment in the Lifeline Plan, the enrolled Customer may contact Third Party Administrator to schedule a water conservation audit and possible plumbing repairs, as well as to identify resources to provide payment assistance for the excess usage. (See also, [Irregular Water Usage Due to Leak](#) policy)

6.5. Arrearages

- 6.5.1. **Prior Arrearages; First Enrollment.** Upon first enrollment in the Lifeline Plan, the ~~Third Party Administrator~~ DWSD will remove Customer's arrearages accruing prior to enrollment.
 - 6.5.1.1. If Customer is a homeowner, the Third Party Administrator and Customer must apply for all other programs that assist with utility debt and apply funds to Customer's DWSD account. Customer will not be responsible for prior arrearages that exceed other utility debt payment assistance programs.
 - 6.5.1.2. If Customer's arrearages prior to first enrollment exceed funds available under existing funding program rules for utility debt, the Customer will not be responsible for prior arrearages and DWSD will handle the debt in the usual manner for uncollected residential accounts.
- 6.5.2. **Payment of Tier Amount.** For Lifeline Plan Services, all available assistance funds will be used to ~~pay the difference between reduce the total amount owed for~~ the capped, tiered amount and the actual monthly water, sewerage and drainage charges.
 - ~~6.5.2.1. If Customer's arrearages during enrollment in Lifeline Plan exceed funds available, DWSD will notate Customer's account and handle the debt in the usual manner for uncollected residential accounts.~~
- 6.5.3. **Failure to Make Full Partial Payment.** If Customer does not pay the amount owed for Lifeline Plan Services under their Tier payment, plus any overage for usage above the allocated CCF, the ~~at~~ unpaid amount will accrue on the next bill as a Balance Forward, which is a Program Arrearage that the Lifeline enrollee is responsible for paying. A Program Arrearage represents non-compliance with the Lifeline Policy.

6.6. Hardship Exemptions for Program Arrearages

- 6.6.1. Prior to receipt of next month's billing statement, Customers who can show extenuating circumstances preventing them from paying their Lifeline bill or who have high usage due to actual use by household occupants for activities of daily living (rather than outdoor usage) may apply to the Third Party Administrator for a hardship to waive payment for some or all their bill. No waiver applications will be accepted after receipt of the following month's billing statement.
- 6.6.2. The Third Party Administrator evaluates and verifies the circumstances requiring a hardship exemption and makes a recommendation to the DWSD Chief Customer

their hardship, including, but not limited to, proof of job loss or change in pay, medical conditions, financial hardship due to household member death, etc.

6.6.4. Hardship exemptions may be granted on a case-by-case basis and, if granted, will take effect on the next billing cycle if presented at least seven (7) days in advance of the cycle.

6.6.5. If DWSD denies the request for a hardship exemption, Customer may appeal to the Ombudsman for review and advocacy on their behalf. (See also, Sec. 6.10)

6.7. Failure to Comply with Lifeline Plan Requirements

6.7.1. If DWSD determines an enrolled Customer is not in compliance with plan requirements (i.e. failure to allow installation of functioning meter, no payment, a partial payment, a Program Arrearage or a balance forward for one (1) month), DWSD will notify the Third Party Administrator ~~to who~~ will perform outreach with Customer to provide case management services.

6.8. Paying Customer Account with Water Assistance Benefits Awarded to Household Occupant.

6.8.1. An income-eligible occupant of Customer's household may apply to state and federal programs for water payment assistance based on the household's water debt, even if the household occupant applying is not the authorized DWSD Customer. The approved funding will be applied to the Customer's (account holder's) Gap Amount and/or Program Arrearages.

6.7.1-6.8.2. The household member who received benefits cannot apply for the Lifeline Plan on behalf of the Customer. (See, Sec. 5.1.2.)

6.8-6.9. Unenrollment

6.8.1-6.9.1. If the Customer receives two (2) consecutive bills with a balance forward due to non-payment or partial payment, the customer is automatically unenrolled from the Lifeline Plan.³ A customer may also be unenrolled due to non-compliance unrelated to payment (e.g. not setting up account with required information, or refusing access to metering equipment, etc). (See also, Sections 6.6 and 6.9)

6.8.2-6.9.2. Upon unenrollment, Customer is subject to DWSD Water and Sewerage Service Terms and Conditions Agreement starting with the next billing cycle.

6.8.3-6.9.3. Collection efforts may begin for Program Arrearage and penalties will resume.

6.8.4-6.9.4. After unenrollment from the Lifeline Plan, the Customer may enter into a Payment Plan for Program Arrearages to avoid collection efforts and penalties, but cannot re-enroll into Lifeline until Program Arrearages are paid in full. (See also, 6.10.1).

6.9-6.10. Re-Enrollment

be allowed to re-enroll in the Lifeline Plan.

~~6.9.2.6.10.2.~~ Program Arrearages⁴ will not be forgiven or removed upon re-enrollment.

~~6.9.3.6.10.3.~~ The re-enrolled Customer will be responsible for paying regular Lifeline Plan charges as described in Section 6.3.

6.11. Enrollment Period; Recertification. The enrollment period begins and ends as required by the funding source on October 1st of each calendar year and ends on the subsequent September 30th, regardless of the date enrollee joins the Lifeline Plan. At the end of each enrollment period, the Third Party Administrator re-determines Customer's income eligibility and recertifies enrollee in for the Lifeline Plan. In most cases, the funding year for Lifeline benefits, including state funding, starts October 1 and ends September 30 with the Third Party Administrator initiating the recertification process on October 1 for enrolled Customers.

6.11.1. To be recertified for Lifeline Plan, Customer must pay any Program Arrearages in full.

6.11.2. DWSD Management may authorize a 30-day grace period to continue Lifeline Plan benefits for currently enrolled customers while the Third Party Administrator processes recertification. While the Customer's recertification application is pending approval, the Customer will be protected from shut off, however, the Customer will continue to receive the regular normal bill until final approval of recertification.

~~6.9.4.6.11.3.~~ If the Customer has not applied for recertification through the Third Party Administrator by the deadline date and any grace period or is deemed ineligible for recertification, they will receive a normal bill the next billing cycle without Lifeline Plan benefits and will need to pay any past due balance in full to be protected from collection efforts.

6.10.6.12. Ombudsman

~~6.10.1.6.12.1.~~ Any person who believes the DWSD and/or its Third Party Administrator have not followed this policy, the City of Detroit Ombudsman serves as an outside, neutral third party to ensure DWSD follows this policy and may act as a liaison to advocate on behalf of a customer. (See also, 2012 Detroit City Charter Article 7.5 – Chapter 4 – Sec. 75-401 to 7.5-417)

6.11.6.13. Reasonable and Necessary Accommodations

~~6.11.1.6.13.1.~~ Management may take reasonable and necessary actions to accomplish the intent of this policy.

7. PROCEDURES

7.1. Billing Process

the 5th of each month indicating new and/or removed participants in Lifeline Plan and applicable Tier.

7.1.1.1. Finance Department calculates the amount of billing statement based on Tier and Customer usage and applies proper billing code to account.

7.1.1.2. At the recommendation of the Chief Customer Service Officer, Finance Department removes participants from Lifeline Plan as directed and changes billing code.

7.1.1.2.1. After removal from Lifeline Plan, arrearages will be handled pursuant to DWSD's Residential and Non-Residential Collection Policy

7.1.2. Billing Department removes pre-enrollment debt from Customer account.

7.1.3. Billing Department prepares statements indicating:

(a) Previous month activity, including adjustments and any balance forward,

(b) The amount owed, and

(c) Overage amounts due for usage above allocated CCF, if any.

7.1.4. Billing Department initiates separate billing cycle for Lifeline Plan Customers.

7.1.5. Billing Department performs the following monthly billing tasks for program enrollees:

(a) for each month of enrollment, excludes the program gap amount from the amount due on the bill; and

(b) starting with the second printed bill during enrollment and continuously through the month after enrollment terminates, applies a credit adjustment with available third-party assistance funds equal to the prior month's gap amount.

(c) Notifies Third Party Administrator of all Lifeline enrollees who have not made the required payment.

7.1.5.1. When funds available have been exhausted, DWSD will notate Customer's account and handle the debt in the usual manner for uncollected residential accounts.

7.1.6. When the Third Party Administrator notifies DWSD of Lifeline enrollees who no longer meet Lifeline requirements, the Billing Department unenrolls those Customers.

7.2. Missed Payments; Unpaid Amount(s) Owing; Collection.

7.2.1. If Customer misses a payment or otherwise incurs a Balance Forward, the account will be referred to Third Party Administrator and Public Affairs for outreach.

7.2.2. If Customer misses a second consecutive payment or otherwise incurs a Balance Forward, the account will be referred to the Third Party Administrator and Public Affairs for outreach and case management services.

exhausting all case management services, ~~and that~~

~~7.2.2.1.7.2.3.1.~~ Customer shall be unenrolled from the Lifeline Plan.

~~7.2.2.2.7.2.3.2.~~ Collections will proceed with usual process for collection of arrearages pursuant to DWSD policy.

~~7.2.3.7.2.4.~~ If the Customer resolves their past due balance or enters into a payment plan after termination from Lifeline Plan, the Collections Analyst initiates a work order and updates the status of the customer in the CIS.

~~7.2.4.7.2.5.~~ ~~The Finance Department will notify the Third Party Administrator if unenrolled Customer makes consistent payments at full rate. Finance Department and Third Party Administrator will confer to determine if Customer is eligible for re-enrollment.~~

7.3. Hardship Exemptions.

- 7.3.1. Customer contacts Third Party Administrator and fills out application for hardship exemption.
- 7.3.2. Third Party Administrator requests information as necessary to evaluate requests and makes recommendation to DWSD's Chief Customer Service Officer whether payment for all or a part of Customer's usage over the allocated CCF should be waived.
- 7.3.3. If approved, Chief Customer Service Officer advises Billing Manager to adjust Customer's billing statements.
- 7.3.4. If denied, Third Party Administrator advises Customer. If Customer appeals to Ombudsman and upon the Ombudsman's request, the Third Party Administrator and/or DWSD shall provide all documents reviewed to evaluate the hardship exemption.
- 7.3.5. Ombudsman reviews materials and determines whether to advocate on behalf of the Customer.