



Lifeline Restructuring Recommendation

August 20, 2025

Lifeline – Current State of Program

- **Limited funding** to support current plan enrollees - 8,000
 - In FY 2025 we had approx. \$11M in State and WRAP funds
 - **WRAP: \$3.5M** in Program Funding, available FY 2026
 - Federal (LIHWAP) was **not** appropriated in current budget
 - State of Michigan water affordability bill did not pass in 2024
 - Future state of water funding is uncertain

Lifeline – Changes for FY2026

- **Current funding will not serve all our residents in need**
 - \$3.5M in Program Funding, available FY 2026 (WRAP funding)
 - Reduced from \$11M available in FY2025
 - Changes to the current Lifeline program are in order to achieve Lifeline's mission – Affordable bill and Reduce shutoffs to our most vulnerable residents

LifelineH₂O Recommendation *

DWSD has revised the Lifeline Plan, which was launched in 2022, based on available funding. The new **LifelineH₂O Plan** offers an income-eligible household – 200% of the federal poverty level or less – with no past due balance to receive the following benefits:

- ✓ **\$34 all-in monthly bill** (avg. household bill is \$87.54)
- ✓ **Shutoff protection**
- ✓ Get up to **6 CCF of water usage per household** (approx. 4,000 gallons; Tier 2 water rate for higher usage)
- ✓ **Water conservation measures provided** after three consecutive months of water usage above 6 CCF
- ✓ **If the account is current, protected from service interruption**
 - ✓ If **60 days past due, Lifeline benefits will be terminated** and removed from the program. Resident can **re-enroll** when the account balance is **current and request re-enrollment**



DWSD LifelineH₂O Plan

Launched in August 2022, the Lifeline Plan was kickstarted by the federal Low Income Household Water Assistance Program (LIHWAP) and further supported by state water affordability allocations from the Governor Whitmer Administration and the Michigan Legislature. Based on Fiscal Year 2026 available funding from GLWA, the plan has moved from three tiers to one tier.

Lifeline vs Lifeline H2O Comparison

Benefit	Current State – Lifeline	Future State – Lifeline H2O
Eligibility	At or below 200% of FPL to apply	At or below 200% of FPL to apply
Arrears	Forgiven upon 1st enrollment	No arrearage forgiveness No past due balance to enroll
Tiers	3	1
Resident Criteria/Tier(s)	Uses SNAP avg HH income \$12k (2018) 1.8% of HH monthly income \$18/43/56	Use SNAP avg HH income \$20k (2023) 2% of HH monthly income \$34 per month, plus any overages (> 6ccf) No late fees while enrolled
Shut Off Protection	Yes, if account is current	If 60 days past due: Removal from Lifeline H2O and subject to service interruption Lifeline benefit will not be reinstated unless account is brought current
Conservation	Limited due to capacity	Conservation measures/kit In home water audit if HH uses more than 6ccf /water reduction measures installed
Water Usage	Pay any overages beyond 6ccf	If over 6CCF for 3 consecutive billing cycles, in home water audit is required Pay any overages beyond 6ccf
Length of Program	10/1 through 9/30	Grant Year based, enrollment date through June 30
Funding	\$11M	\$3.5M



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Department**

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