

February 5, 2024

The Honorable Alex Padilla
United States Senate
Washington, DC 20510

Dear Senator Padilla,

The undersigned organizations, representing drinking water and wastewater systems serving Americans across the United States, are pleased to endorse the “Low-Income Household Water Assistance Program Establishment Act.” The legislation represents an important step toward permanently enshrining low-income water and wastewater ratepayer aid in the federal safety net.

Communities across the country face hundreds of billions of dollars of costs in the coming decades to maintain and upgrade their water and wastewater systems. These investments will be needed to confront aging infrastructure, changing climactic conditions, and to protect consumers from emerging contaminants. Despite the historic federal investments in water infrastructure made through the Bipartisan Infrastructure Law, which will help reduce the expense, the vast majority of water and wastewater system investment will continue to be borne by local water ratepayers – posing significant challenges to individuals and households at the lower end of the income scale.

Today the cost of basic water service already imposes hardships on many low-income households, particularly for those in vulnerable communities. The largest national water rate survey found that between 1996 and 2018, water and sewer charges increased about 2.5 times as fast as inflation;¹ another study concluded that household water and sewer bills more than doubled between 2000 and 2016, while household incomes remained flat.²

Congress recognized this growing water affordability challenge in 2020 when it established the Low-Income Household Water Assistance Program (LIHWAP) at the Department of Health and Human Services. This represented the first time that the federal government created a program dedicated to addressing the burden of rising water and sewer bills on low-income households, and LIHWAP quickly became an essential lifeline for millions of people and the water systems that serve them. Through the 2023 fiscal year, LIHWAP has helped more than 1.4 million households nationwide maintain or restore water service.³ Following its initial appropriation of \$638 million through the Consolidated Appropriations Act of 2021, an additional \$500 million was provided through the American Rescue Plan Act later that year.

However, LIHWAP was only established as a temporary program, and its initial \$1.1 billion appropriation expired at the end of the 2023 fiscal year. As a result, without further congressional

¹ <https://www.awwa.org/AWWA-Articles/awwas-2019-water-and-wastewater-rate-survey-reveals-increasing-utility-costs-boosting-rates>

² <https://www.brookings.edu/articles/striking-a-better-balance-between-water-investment-and-affordability/>

³ <https://lihwap-hhs-acf.opendata.arcgis.com/pages/quarterly-snapshot>

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action water rate assistance will no longer be part of the federal safety net, putting hundreds of thousands of households at risk of losing their water service, and leaving tens of thousands of water and wastewater systems without needed operational revenues.

The “Low-Income Household Water Assistance Program Establishment Act” would address this problem by providing a long-term authorization for LIHWAP, allowing HHS to continue its important work of allocating funding to states and tribes for distribution to drinking water and wastewater systems to offset the bills and arrearages of qualifying low-income customers. We believe this model, which leverages the social services resources and expertise of HHS while enabling water and wastewater systems to interact with states and tribes to directly access funds for qualifying customers, holds the most promise for ensuring that LIHWAP operates as efficiently as possible.

Again, our organizations and member utilities strongly support congressional action to provide for the uninterrupted funding and operation of LIHWAP, and we appreciate that the “Low-Income Household Water Assistance Program Establishment Act” would achieve this goal. In the years ahead, following passage of this legislation, we would be eager to work with you and other lawmakers and stakeholders to review HHS’ success at program implementation and consider any necessary adjustments to ensure its long-term success.

Thank you again for your leadership in introducing the “Low-Income Household Water Assistance Program Establishment Act,” and we look forward to working with you to advance this important legislation.

Sincerely,

American Water Works Association
Association of Metropolitan Water Agencies
National Association of Clean Water Agencies
National Association of Water Companies
Water Environment Federation