

Michigan Matters: Community Water Legislation Forum

Wednesday, August 30, 2023

Welcome and Overview



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Michigan Matters: Community Water Legislative Forum

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Housekeeping

- This webinar is being recorded and will be available on our On-Demand Webinar Library in the next week.
- As participants you are all in listen only mode.
- Please type your questions into the **questions box**, and we will answer questions during the Q & A session following each presentation.
- Following this webinar, we will send out the slides, copy of the recording and answers to questions posted during the webinar. Thanks!

Michigan Matters: Community Water Legislation Forum Today's Agenda

I. Welcome

James Nash, Oakland County Water Resources Commissioner (OCWRC)

Suzanne Coffey, Great Lakes Water Authority (GLWA)

Gary Brown, Detroit Water & Sewerage Department (DWSD)

II. Stormwater Utility Legislation

Opening Comments from Senator Rosemary Bayer, 13th District

Overview of Draft Legislation - Kelsey Cooke, OCWRC

Q & A on Stormwater Utility Legislation

III. Water Affordability Legislation

Opening Comments from Senator Stephanie Chang, 3rd District

Overview of process and key issues Sara Rubino, OCWRC

Q & A on Water Affordability Legislation

IV. Legislative Lay of the Land

John LaMacchia, Michigan Municipal League (MML)

Andrea Cascarilla, Dykema

Rudy Hobbs, Michigan Legislative Consultants (MLC)

V. Recap and Closing Remarks

Michigan Matters

Community Water Legislation Forum

August 30, 2023



Welcome and Introductions



Oakland County Water Resources
Commissioner Jim Nash



Great Lakes Water Authority
Chief Executive Officer Suzanne R. Coffey, P.E.



Stormwater Utility Legislation

Senator Rosemary Bayer

Michigan's 13th District





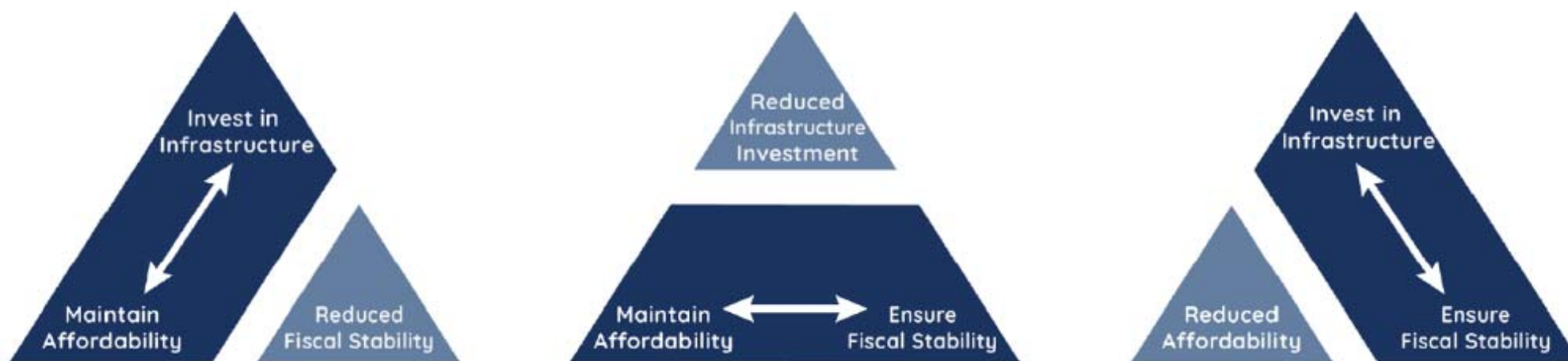
Stormwater Utility

Kelsey Cooke

WRC Manager and Chief Legal Officer



The Water Utility Trilemma Relates to Both Topics



Source: Patterson. 2021. Nicholas Institute for Energy, Environment & Sustainability Duke University Retrieved from <https://nicholasinstitute.duke.edu/water-affordability/water-services.html>

***Bolt* Refresher: What Qualifies as a User Fee?**



A user fee must serve a regulatory purpose rather than a revenue-raising purpose



A user fee must be proportionate to the necessary costs of the service and correspond to any benefit conferred by the service



A user fee must be for a commodity or service voluntarily used

Allegations

System users
have been
overcharged

The fees are
disguised
taxes

Many are class
actions

What's Changed?



Why is this bill necessary? *Hint: It's not because you can't already*

Municipalities need clear guidelines to create a plan, fund, and manage stormwater in their communities

Courts need statutory guidance to help judge whether a utility was properly established, funded, and managed

Property owners need transparency

Proposed Process Recipe in Stormwater Utility Act

Goal:

To create a stormwater management utility and adopt a stormwater utility fee

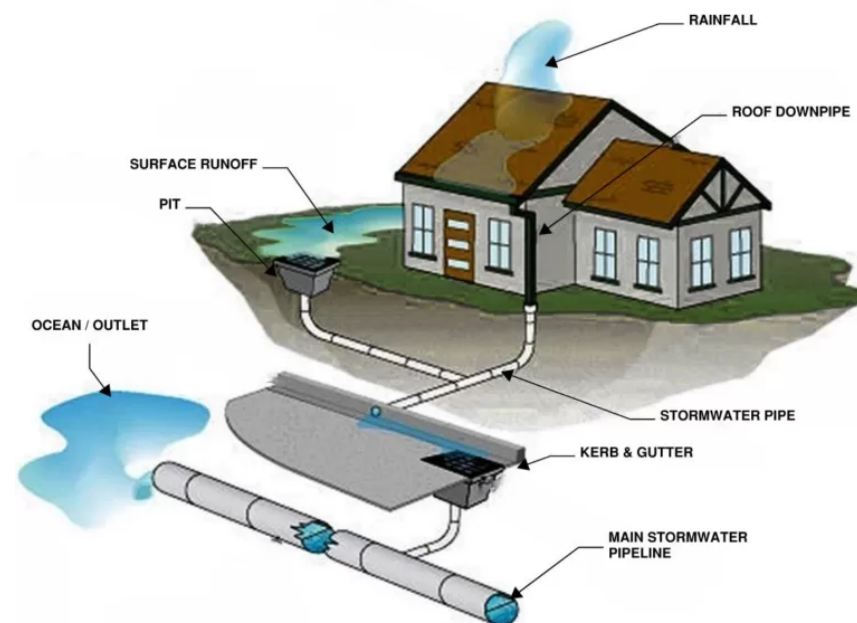
Local government steps:

1. Public notice of intent to prepare a stormwater management plan
2. Public hearing on proposed plan
3. Adopt a stormwater management plan by resolution
4. Adopt a stormwater utility rate ordinance consistent with the adopted plan
5. Establish a stormwater enterprise fund to deposit collected fees

Meeting the Three-Part Test in a Stormwater Management Plan

Stormwater Management Plan must include:

1. Periodic basis for plan review and updating
2. Service area
3. Projected operation and maintenance costs
4. Fee applies to property assessment
5. Method of calculating fee
6. Explanation of property eligibility for fee reduction/elimination
7. Property fee appeal process
8. Property owner notification process



Content of the Stormwater Utility Rate Ordinance

1

Identify purpose and the services needed

2

Establish a property fee to pay for stormwater management services

3

Describe methods for determining fee

May also include:

Fee for new, redeveloped, or modified properties that connect to or result in increased use of the stormwater system

Determining the Stormwater Utility Fee



In short:

The fee will consider impervious area of each property

In detail:

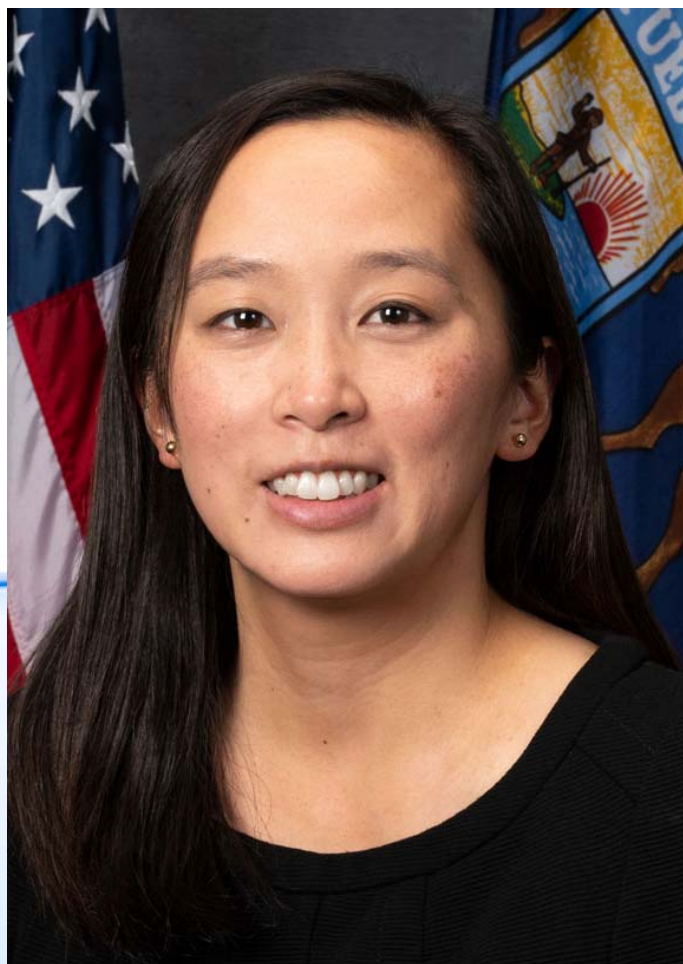
The fee depends on stormwater services provided to each property, using accepted engineering methods to assess stormwater quality and required management based on property characteristics

Suggestion:

Call your local stormwater engineer!

Stormwater Utility Discussion Q&A





Water Affordability and Shut-off Protection Legislation

Senator Stephanie Chang

Michigan's 3rd District





Water Affordability and Shut-off Protection

Sara Rubino

WRC Government Policy Attorney



Why are these bills important?

•More people are struggling to pay the costs of their drinking water, sewer, and stormwater services

Increasing costs to operate and maintain aging infrastructure

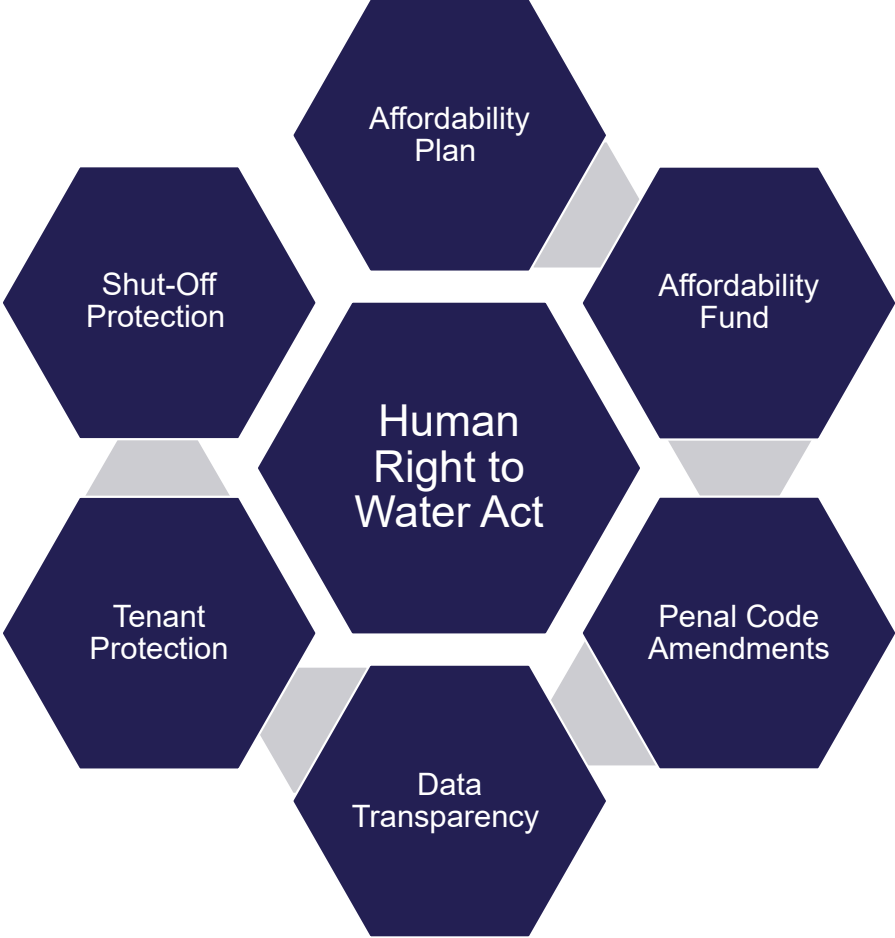
Increasing regulations to keep water sources safe

Increasing frequency and intensity of extreme weather

History in the Making



Topics Covered in 2023 Bill Package



Draft Water Affordability Plan and Fund Bills

Plan Bill:

- Creates a statewide affordability plan
- Administered by the Michigan Department of Health and Human Services

OR

Utilities can create their own plan:

- Utilities select an administrative partner
- Authorizes bill rates or discounts to keep water and sewer bills at or below 3% of household income
- Plan eligibility is set at 200% Federal Poverty Level
- Establish an affordability task force



Fund Bill:

- Create a sustainable funding source to support the affordability plan
- Sets a statewide fee of \$1 to \$3 per meter, per month
- Utilities collect the fee, and remit to the State Department of Treasury
- The Department of Treasury manages the funds
- Funds are distributed back to utilities to pay for the affordability plan

Affordability Plan Overview

Income Based Water Bill

- Tiers based on household income levels
- Bills no greater than 3% of household income
- Applied via discounts, credits or rates



Arrearage Reduction

- \$1,500 arrearage reduction after first 12 months
- Remainder of arrearage reduction after 24 months
- Remain enrolled in program and timely monthly payments



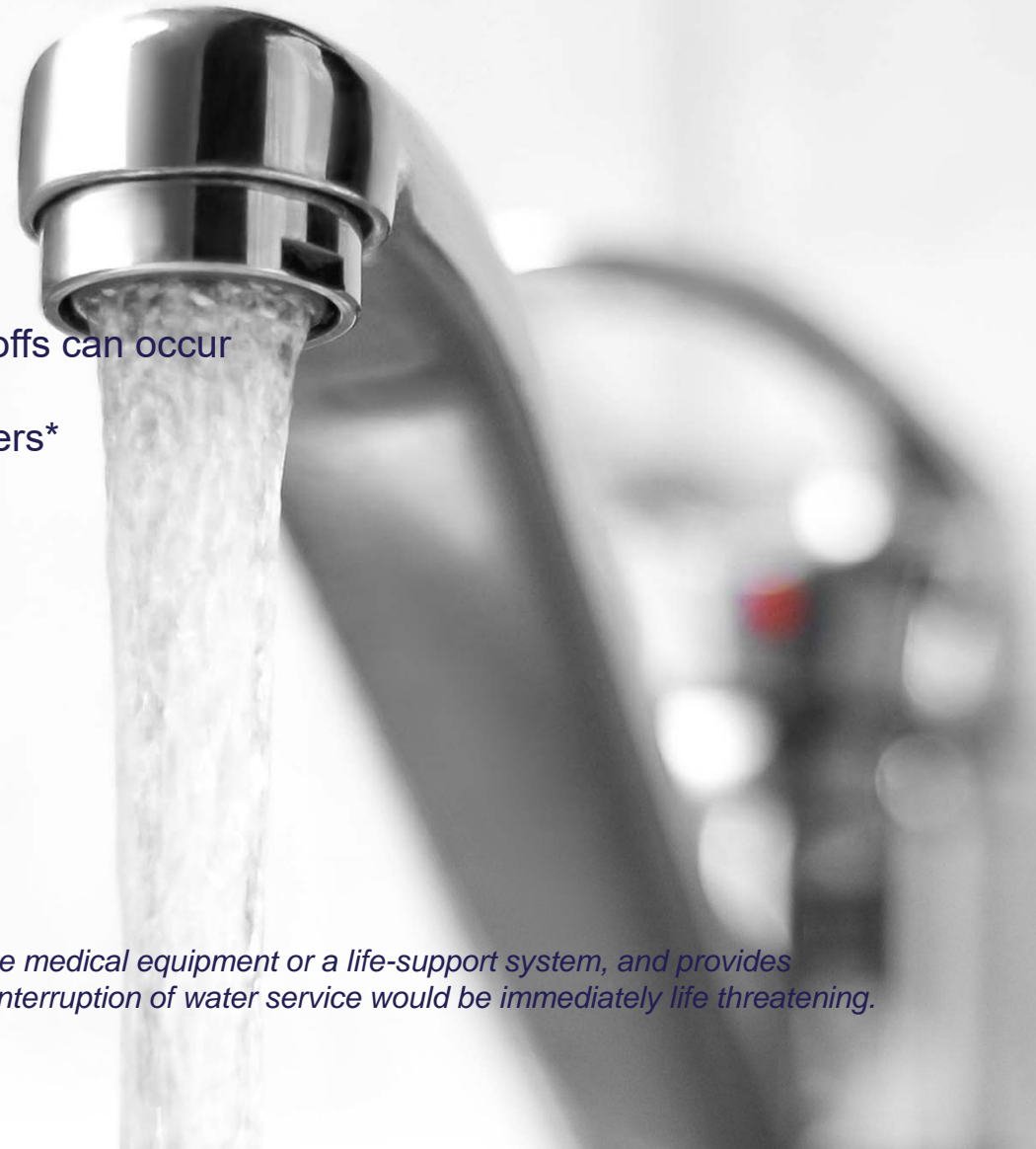
Household Plumbing

- \$2,500 per household
- Address leak or service issue
- Waiver available for additional repairs



Draft Water Shutoff Protection Act

1. Does not prevent shut offs for all customers
2. Does provide protections for customers before shut offs can occur
3. Does prevent water shut offs for critical care customers*



**A customer, or household member of a customer, who requires home medical equipment or a life-support system, and provides documentation to a provider from a physician or medical facility that interruption of water service would be immediately life threatening.*

Other Related Draft Bills



Tenant Protections

Landlord must provide copy of water bill and/or transfer bill to tenant, if requested by tenant

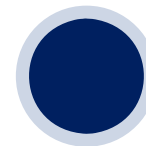
Prohibits landlords from increasing rent if tenant pays water bill directly



Penal Code Amendments

Under current law, a person who turns water service back on after it has been shut off may be charged with a felony and sentenced to jail time

Proposed amendment would change it to a civil infraction punishable with community service and fine, if the water services lines are not damaged



Data Transparency

Mandates that water providers disclose and report water and sewer rates and other information, including data related to water service shut offs

Creates a statewide "data bank" for the information. Intended to identify communities who need it most

Water Affordability & Shut-Off Protection Discussion Q&A



Legislative Process

John LaMacchia, MML
Rudy Hobbs, MLC
Andrea M. Cascarilla, Dykema



Open Discussion



Thank you!



 **Questions**
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