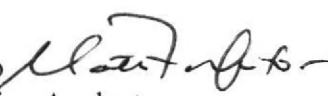


## REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: May 8, 2020

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No: 20-0002-S56  
Assignment No: 20-04-0453

SUBJECT: National Water Affordability Act

CLA RECOMMENDATION: Adopt Resolution (Blumenfield – Price) to include in the City’s 2019-2020 Federal Legislative Program SUPPORT and/or SPONSORSHIP of legislation or administrative action that would urgently call for Congress to enact and fund a national water affordability program, modeled on the Low-Income Home Energy Assistance Program (LIHEAP) for home heating assistance for low income families.

### SUMMARY

On April 22, 2020, the Resolution (Blumenfield – Price) was introduced in support and/or sponsorship of legislation or administrative action that would urgently call for Congress to enact and fund a national water affordability program, modeled on the Low-Income Home Energy Assistance Program (LIHEAP) program for home heating assistance for low income families. The Resolution states that affordable water is a health, safety and welfare issue that is implicitly recognized by the recent reconnection of water services to deal with the COVID-19 pandemic. During the COVID-19 pandemic, the City has mandated the Department of Water and Power to not shut off utility service to any of its residents. The Resolution states that Congress is presently deliberating another one or more tranches of relief funding for COVID-19-related expenses and that funding of water and sewer infrastructure should be included for the benefit of public health.

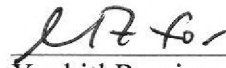
Therefore, the Resolution recommends support and/or sponsorship of legislation or administrative action that would create and adequately fund a national water rates subsidy program.

### BACKGROUND

Access to affordable water is a health, safety, and welfare issue that needs to be recognized and supported for the most vulnerable residents. In 1981, the Low-Income Home Energy Assistance Program (LIHEAP) was established as part of the Omnibus Budget Reconciliation Act. The LIHEAP Block Grant is funded by the Federal Department of Health and Human Services (DHHS) and provides two basic types of services. Via local governmental and nonprofit organizations, eligible low-income persons can receive financial assistance to offset the costs of heating and/or cooling dwellings, and/or have their dwellings weatherized to make them more energy efficient. In order to qualify for this program in California, a person must be a resident of the state and have an annual household income (before taxes) that is below 60 percent of the State Median Income. It is estimated that the LIHEAP program receives and expends approximately \$3.5 billion annually

to support gas and electric heating utility costs for low income residents throughout the United States.

Due to the high cost of providing clean and safe drinking water, based largely on complying with federal regulations, this resource is seeing an alarming rise in retail rates across the country. Unlike federal assistance funds that support low income families by offsetting the cost for energy through the LIHEAP, there is no national water affordability program in place to make water affordable for low income families.

  
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Xochitl Ramirez  
Analyst

SMT:xr

Attachment: 1. Resolution (Blumenfield – Price)

RESOLUTION

WHEREAS, the City of Los Angeles has mandated that the Department of Water and Power will not shut off utility service to any of its residents during the COVID-19 pandemic; and

WHEREAS, The need for a subsidy to support long term, sustainable and affordable access to water and sewerage services for the benefit of low income residential customers will not end after the COVID-19 pandemic is better controlled, providing an opportunity to implement new policies going forward. On the contrary, unaffordability of these services for the poor is a structural feature of the water industry's existing rates as well as a permanent menace to public health; and

WHEREAS, Congress should create and adequately fund a national water rates subsidy program similar to the Low-Income Home Energy Assistance Program (LIHEAP); and

WHEREAS, The LIHEAP program receives and expends approximately \$3.5 billion annually to support gas and electric heating utility costs for low income residents throughout the United States; and

WHEREAS, Based on the same realities that lead the federal government to recognize the need to support low income families by subsidizing energy, it is time to also provide a robust federal subsidy for the precious resource of clean and safe engineered drinking water; and

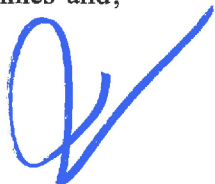
WHEREAS, Unfortunately, due to the high cost of providing clean and safe drinking water, based largely on complying with federal regulations, this resource is seeing an alarming rise in retail rates across the country. While there is often a call for municipalities to become the "water bank" and provide free or subsidized water, the federal government is the proper entity to fund necessary water subsidies for low income families, as demonstrated by the popular and successful LIHEAP program; and

WHEREAS, Affordable water is a health, safety and welfare issue that is implicitly recognized not only by the recent reconnection of water services to deal with the COVID-19 pandemic, but also by the existence of the LIHEAP program for low income electric and gas home heating. Water also needs to be recognized and supported for our most vulnerable residents as a utility that is directly tied to the support of life; and

WHEREAS, Congress is presently deliberating another one or more tranches of relief funding for COVID-19-related expenses. The funding of water and sewer infrastructure should be included for the benefit of public health; and

NOW, THEREFORE, ~~LET IT BE~~ <sup>IT</sup> RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 Federal Legislative Program SPONSOR AND/OR SUPPORT for any legislation or administrative action which would urgently call for Congress to enact and fund a national water affordability program, modeled on the LIHEAP program for home heating assistance for low income families and;

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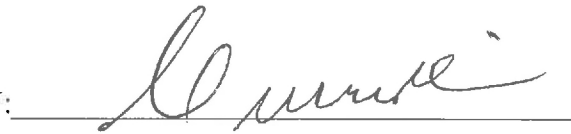
BE IT FURTHER RESOLVED that significant and adequate funding for a national water affordability program benefiting low income water customers and public health should be an urgent, primary focus of Congressional COVID-19 relief funding.

PRESENTED BY:



BOB BLUMENFIELD,  
Councilmember, District 3

SECONDED BY:



ORIGINAL