

# City of St. Clair Shores

**Mayor**  
Kip C. Walby  
**Mayor Pro-Tem**  
Candice B. Rusie  
**City Manager**  
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**Council Members:**  
Linda C. Bertges  
John D. Caron  
Ronald J. Frederick  
David J. Rubello  
Chris M. Vitale



December 19, 2023

**R-2023-31**

## **Resolution to oppose the proposed "Water Affordability" legislation**

At a regular City Council Meeting of the St. Clair Shores City Council held on Monday, December 18, 2023, the following resolution was offered:

**Whereas**, the City of St. Clair Shores is responsible for the distribution of water to over 25,000 residential and commercial customers as received from the Great Lakes Water Authority (GLWA); and

**Whereas**, GLWA currently provides a Water Residential Assistance Program (WRAP) that offers low-income customers an income-based assistance plan with up to \$100 a month in bill credits, \$2,400 in bill arrearage assistance, and \$2,000 in plumbing repairs; and

**Whereas**, the City of St Clair Shores funds the WRAP within the current charges it receives from GLWA and must pass along those charges to the residential and commercial customers through the current water rates which are calculated each year and approved by City Council; and

**Whereas**, the WRAP is administered within Macomb County by Macomb Community Action which provides a central intake to assist all low-income Macomb residents with county, state, and federal assistance programs. The amount Macomb County customers pay into the WRAP is committed to be spent within Macomb County; and

**Whereas**, several "Water Affordability" bills have been introduced in the State Legislature (SB 0549-0554, HB 5088-5093) which purport to create a statewide fund which would duplicate the benefits of the WRAP by charging every customer within the City of St Clair Shores \$24 for each meter annually regardless of usage or current income level and may go up to \$36 per customer; and

**Whereas**, this legislation would create another state entity to perform the same function as the WRAP program with no requirement that the funds generated from the new fees be committed to the locality and provides no local control. GLWA has representation on its board from Macomb County and the WRAP program is administered locally by a Macomb County agency enabling local control and attentiveness to local needs; and

**Whereas**, the WRAP program covers 40% of the state customers through GLWA and another 30% of the state residents use wells and septic systems which would not be affected, this legislation would create a new benefit for 30% of state residents, which further questions the need to create a new state entity rather than those areas outside of GLWA establishing their own WRAP within their own water distribution systems: and

**Whereas**, this legislation is also opposed by Macomb County Public Works Commissioner Candice Miller as noted in attached exhibits a – c: and

**Now, Therefore, be it resolved**, that the Mayor and City Council of the City of St Clair Shores oppose the proposed "Water Affordability" legislation and urge our state-elected representatives and the representatives from Macomb County to oppose this legislation.

**Ayes:** 7  
**Nays:** 0  
**Absent:** 0

I, Abrial J. Barrett, City Clerk of the City of St. Clair Shores do hereby certify that the foregoing is an excerpt from the minutes of a regular meeting of the St. Clair Shores City Council held on Monday, December 18, 2023, in accordance with the Open Meetings Act, Public Act No. 267 of 1976 as amended.

Abrial J. Barrett, City Clerk

  
Abrial J. Barrett, City Clerk





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**Candice S. Miller**Public Works Commissioner  
Macomb County

December 1, 2023

Macomb County Leaders,

RE: State Mandated Water Meter Fee Legislation

If there is one issue that all local elected officials hear about, it's that water and sewer bills are too high. Are you aware that every water and sewer customer in the entire State of Michigan is about to have their rates increased?

Several "Water Affordability" bills have been introduced in the State Legislature (SB 0549-0554, HB 5088-5093). While the bills' proponents claim they have had extensive discussions with stakeholders, I don't believe these discussions have included those responsible for providing water and sewer services or setting local rates. While I fully support continuing to assist low-income customers, I have serious concerns with this legislation.

Unfortunately, the bills needlessly duplicate an existing and successful low-income assistance program already funded by and benefiting 40% of the State. It also mandates a new statewide \$24 annual meter fee (soon to be \$36) on water and sewer bills, creating a pool of \$72 million annually. Macomb County customers alone would pay an additional \$8 million a year.

The Great Lakes Water Authority (GLWA) already provides a Water Residential Assistance Program (WRAP) that offers low-income customers an income-based assistance plan with up to \$100 a month in bill credits, \$2,400 in bill arrearage assistance, and \$2,000 in plumbing repairs. The new state plan would mirror and duplicate this existing GLWA program. WRAP is administered in our county by Macomb Community Action which does an excellent job providing a central intake to assist all low-income residents with county, state and federal assistance programs. We don't need to create another state entity to do this work.

The amount Macomb customers pay into the GLWA's WRAP program is committed to be spent in our county. This is not the case with the proposed state plan, where likely most of the money would be spent elsewhere. In fact, in most years the majority of the eight counties served by WRAP have not fully spent their funds and have chosen to give it to the City of Detroit and Flint. Oakland County has never fully utilized their WRAP funds. Even existing state and federal low-income water assistance funds have not been fully spent.

With 40% of the state already covered by WRAP, the new state program would add only 30% of outstate residents, as 30% of the remaining state residents on wells and septic systems would not be

covered. The bulk of the \$72 million raised annually would most likely go to the City of Detroit. I would argue there are other state or federal funds that could continue to benefit them, or they could simply choose to increase their local WRAP funding to serve their customers. The 30% of the state not covered by WRAP could simply choose to fund their own WRAP program.

The legislation also does not allow a county or community to opt out of this program. In addition, the proposed per meter fee would be the same for a small low-income homeowner or senior citizen as it would for a large business. This is hardly a fair approach. GLWA's WRAP program revenues are more fairly based on water usage.

As leaders of local water utilities, I want to bring these issues to your attention. I urge you to share your perspectives on these bills with your elected representatives in Lansing, as this legislation will be debated as soon as next month.

Sincerely,



Candice S. Miller, Commissioner



December 5, 2023

Macomb County Leaders,

RE: Response to Letter from Candice Miller Regarding “State Mandated Water Meter Fee Legislation”

As organizations operating drinking water and sewerage systems in southeast Michigan, we write to you in response to Candice Miller’s letter regarding the water affordability legislation currently in Michigan House and Senate committees. Please allow this letter to clear up several inaccuracies.

1. The allegation that every water and sewer customer in Michigan will see their rates increase is misleading. While the water affordability legislation includes a state mandated \$2 per metered account fee, the fee will be used to support a fund that will allow low-income households enrolled in the program to pay lower amounts considered affordable by national standards.
2. The stakeholders involved in drafting these bills included water and sewerage service providers who set rates to meet revenue requirements. The Detroit Water and Sewerage Department (DWSD), Great Lakes Water Authority (GLWA), the Oakland County Water Resources Commissioner’s office which operates 22 municipal water systems, City of Grand Rapids, and Michigan Section of American Water Works Association, which represents hundreds of water utility members across the state, to name a few.
3. This legislation **does not** duplicate the GLWA’s Water Residential Assistance Program (WRAP). The WRAP does not cover the need for assistance beyond two years and it does not cover the rest of the state where there are low-income households struggling to pay their bills. In contrast, the statewide program is a permanent affordability program that will be available to all Michigan households served by a public water provider.
4. The legislation clearly states this is a \$2 per month, per meter fee, which will create a pool of over \$65 million to be used statewide.<sup>1</sup> Macomb County customer contributions to the Affordability Fund will be used to expand benefits not provided through WRAP to Macomb County low-income households.

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<sup>1</sup> Customers on septic systems and wells do not have to contribute a per meter fee.

5. Data and research confirm that a historical lack of enrollment in WRAP, as well as other temporary state and federal assistance programs, is not indicative of a lack of need<sup>2</sup>.
6. The \$2 fee is fair, reasonable, and based on existing energy utility assistance programs, the LiHEAP and Michigan MEAP monthly charge. These energy programs were enacted with bi-partisan support over a decade ago. There has been no effort to seek higher fees for gas and electric affordability programs based on kilowatt hours used, and the rationale for a water affordability program should not be based on gallons used.
7. “Another state entity” does not have to administer Macomb County’s program—it can elect to continue to utilize Macomb County Action Agency to administer a local affordability program.
8. The mantra that the Affordability Fund is “likely going to the City of Detroit” ignores several critical facts:
  - a. There are unmet needs for water access and affordability across the state, including in Macomb County
  - b. There is no sustainable, continuing funding source for water affordability programs. Other funding sources have only been one-time appropriations.
  - c. Increasing the local WRAP contribution does not solve the need for a statewide low-income program and funding source.
  - d. Pooling resources to help those in need is not a new concept. As noted above, this legislation mirrors the affordability programs and funding sources for gas and electric services through LiHEAP and Michigan’s MEAP. Macomb County residents have contributed millions and millions of dollars to these funds—at a monthly rate almost the same as the cost proposed for in this legislation.
  - e. This legislation is not a Detroit handout. In fact, Detroit will be the largest contributor to the fund. Additionally, the Detroit Lifeline program has been well underway for over 18 months, and it has already erased the debt of over 26,000 households, totaling nearly \$30M, through prior one-time federal funding initiatives and other resources. The initial investment in Detroit has been covered.

We urge you to objectively evaluate the bills and be apprised of all facts. The purpose of these bills is to establish a dedicated funding source for utilities across the state so their low-income customers in need can pay an affordable bill, and to cover the utilities’ entire cost to deliver safe, clean water and reliable services. We must all contribute to ensure the public health and safety of water and wastewater systems statewide.

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<sup>2</sup> Read, J., Attal, N., Betanzo, E., Harrison, R., Stoltenberg, A. (2022, January). Water Service Affordability in Michigan: A Statewide Assessment. University of Michigan Water Center, Graham Sustainability Institute. Retrieved from [graham.umich.edu/media/files/MI-statewide-water-affordability-assessment-report.pdf](https://graham.umich.edu/media/files/MI-statewide-water-affordability-assessment-report.pdf)

Please feel free to contact any of the undersigned if you would like to discuss questions or concerns.

Respectfully submitted,

The image shows two handwritten signatures in blue ink. The signature on the left is 'Jim Nash' and the signature on the right is 'Gary A. Brown'.

Jim Nash, Oakland County Water Resources Commissioner  
Nashj@oakgov.com

Gary A Brown, Director, Detroit Water and Sewerage Department  
Gary.brown@detroitmi.gov






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**Candice S. Miller**

Public Works Commissioner  
Macomb County

December 11, 2023

Macomb County Leaders,

Re: Response to Detroit and Oakland WRC – State Mandated Meter Fee Legislation

You recently received a response from Detroit Water & Sewer Department (DWSD) and the Oakland County Water Resources Commissioner to my concerns with their proposed new State Mandated Water Meter Fee Legislation. Their response and pertinent points are easily challenged. This legislation requires your municipality to add a new monthly fee to every one of your water and sewer bills to fund a new state water affordability plan. Your customers would now be paying twice - once for this new state program, which will be in addition to what they already pay for the existing Great Lakes Water Authority's (GLWA) successful regional Water Residential Affordability Program (WRAP). WRAP funds over \$4.4 million annually for assistance to 40% of the state. The new state program would have the same income eligibility and financial benefits that WRAP already provides, which includes most of Macomb County, excluding septic and well water users.

Their response confirms:

- ✓ Every Macomb County water and sewer metered customer would now pay a new \$24-\$36 annual State affordability fee totaling \$7-8 million a year. This fee is in addition to the 0.5% of GLWA wholesale water and sewer charges your customers already pay.
- ✓ No Macomb community was included among the stakeholders reviewing the need for this legislation, so our community leaders have had no input.
- ✓ While Macomb is spending much of its allocated GLWA WRAP funds, we have never fully spent our annual \$750,000 allocation. Why do we then need to fund a separate program, and pay a second fee for a new state program when we have an existing program with available funds? If others in the state want their own program, they can create and fund it like we have. Oakland County has spent less than 50% of their WRAP funds paid by their residents since inception. Perhaps they should spend those funds first before advocating for higher fees on all.
- ✓ Fails to mention the WRAP program allows seniors and disabled residents to receive assistance indefinitely. The WRAP two-year assistance limit is for able bodied individuals experiencing a personal emergency or economic downturn. Since inception, improvements to WRAP have expanded income eligibility qualifications and now ensures payments that keep water bills at no more than 3% of a resident's monthly income.

- ✓ We are unaware of an unmet water affordability need in Macomb County. If the need exists, we could simply increase our WRAP funding which we control, rather than pay a new duplicative mandated state-wide fee.
- ✓ Suggests a lack of WRAP enrollment does not indicate a lack of need. Perhaps, but why not improve the existing WRAP enrollment process instead? In Macomb County, we have greatly improved our WRAP program in the past several years by identifying and reaching out to those in need of assistance with their water and sewer bills.
- ✓ It compares this new fee with a state energy assistance program, but fails to mention the existing state energy assistance programs allow utilities to opt out. This new water legislation does not allow opt outs. Again, what is wrong with allowing communities to opt out when they already pay for the successful regional GLWA WRAP program? I've asked the authors of this legislation to allow for counties to opt out, but was told they couldn't agree to that because too many would.
- ✓ Doesn't deny Detroit already can increase their own WRAP contributions to fund their new income-based rate plan, rather than imposing a new second fee on all of us.
- ✓ Acknowledges Detroit will receive most of the net new funding as they need at least \$30 million to continue their new income-based water program. As a result, most of the new fee you will pay will end up going to Detroit. Also all GLWA customers already pay DWSD \$50 million annually as part of the GLWA lease which totals \$2 billion over the life of the lease. It further confirms the new dollars will not be allocated to the county or community that pays the cost – unlike the WRAP program.
- ✓ Ignores the fact that outstate communities can fund their own WRAP program without this legislation. Why should we pay for them when we already pay for our own regional program?
- ✓ Incorrectly states there is no sustainable funding source for water affordability. WRAP is funded annually by all GLWA ratepayers with annual funding increases.
- ✓ Fails to acknowledge Detroit admits the new assistance funds will generate additional dollars to pay for DWSD operations. This is only possible because Detroit now doesn't collect and enforce collection policies like the suburbs do. Unlike Detroit, the vast majority of the suburbs will see no increased revenues from these assistance dollars as these communities place unpaid water bills on the tax bill and enforce shutoffs for non-payment. Bottom line, I believe low-income assistance dollars should benefit the individual, not the utility.

I continue to raise this issue so that our Macomb County communities can weigh in if they want to. Perhaps you agree with this legislation, if so I'm guessing it will pass the state legislature next year. However, if you don't agree, you may want to consider contacting your State Representatives and State Senators.



In closing, this issue is very simple. We already pay for and have a low-income affordability program that works very well. Why pay for a second program when we are not fully spending the dollars we already pay? If Detroit or Oakland County wants to mandate a new fee and program, at the very least the legislation should allow each county the option to opt in or out.

Sincerely,



Candice S. Miller

Macomb County Public Works Commissioner