

The membership of the Michigan Section of the American Water Works Association includes municipalities, water utilities of all sizes, water operators, engineers, manufacturers, suppliers, academics and others. MI-AWWA has approximately 2,200 members and is the 6th largest chapter of AWWA. There are 55,000 members of AWWA around the world. Our purpose is to help members efficiently manage water, Michigan's most vital resource.

Funding and finance is an important, strategic issue for Michigan's water sector. We have long known that water, and specifically water affordability, is a key component of this. This was brought into even sharper focus during the pandemic.

Over the last four years, we sought a better understanding of the various aspects of water affordability. We brought in experts from areas such as utility rate setting, finance options for water utilities, social service and social justice organizations, and academicians to help teach our members and the leadership about the biggest factors that impact water affordability. We also were invited to have dialogue with previously unlikely partners about collecting data around the cost of water across our state.

In early 2023, MI-AWWA was invited to participate in a stakeholder group convened by State Senator Stephanie Chang on potential

water affordability legislation. This work resulted in several draft bills.

We are grateful for Senator Chang's inclusive and thoughtful process. These stakeholder meetings continue to bring together a plurality of voices from multiple perspectives. Throughout this process water utilities' concerns were heard and seriously considered.

MI-AWWA broadly supports the draft statewide affordability legislation and believes these bills generally represent what is best for both water utilities and water customers in Michigan. We continue to work toward building the best possible program for Michiganders and Michigan's water utilities.

As time passed, and past federal investments in infrastructure in the 1970s and 1980s ended, water rates have often been the sole source for keeping utilities running. We, as an organization, realize that the cost of infrastructure is rising and there are times in which water customers are unable to cover the true cost of service. This is why we are supportive of these bills; they ultimately will address a utility's ability to maintain infrastructure and deliver clean, safe drinking water.

MI-AWWA respectfully encourages the Committee to support funding for this package of bills on water affordability and we look forward to continuing the dialogue as they make their way through the legislative process. Our organization is available to answer any specific questions you have about how these bills might impact water systems and will help support the Committee as it deliberates on this issue.