



## Financial Services Audit Committee Communication

**Date:** February 13, 2023

**To:** Great Lakes Water Authority Audit Committee

**From:** Madison Merzlyakov, Affordability & Assistance Manager

**Re:** Affordability & Assistance Update

**Background:** In 2021, an Affordability & Assistance Team was created within GLWA's Financial Services Area. The team serves as the internal and external resource for strategic policies and programs related to water affordability and assistance.

**Analysis:** This month we present an update on the initiatives the Affordability & Assistance Team have been focused on, including expanding partnerships for the Water Residential Assistance Program (WRAP), the rollout of recently approved WRAP improvements, and Member Partner engagement efforts.

### Expanding WRAP Partnerships

On Monday, January 9, 2023, United Way for Southeastern Michigan (UWSEM), launched an online WRAP application as part of their new role as WRAP administrator for Oakland County communities. UWSEM has recently taken on administration of the WRAP program for Oakland County as part of a planned transition. Wayne Metropolitan Community Action Agency (Wayne Metro) has served as the temporary WRAP administrator for Oakland County communities since June 2022. GLWA is thankful to both Wayne Metro and United Way for their dedication to the transition of WRAP services for Oakland County communities.

### WRAP Improvements & Member Partner Engagement

In October 2022, the WRAP program improvements approved by the GLWA Board of Directors in June 2022 took effect. These improvements included the following.

- Providing WRAP as a core service, thereby removing the need for communities to opt-in or out
- Determining bill credits that are based on household income and amount of the water and sewer bill, referred to as the WRAP Income Based Plan (IBP)
- Emphasizing case management and direct client assistance

The Affordability & Assistance team, alongside WRAP Service Delivery Partners, continues to engage with Member Partners to notify them of the improvements, walk through the details of the program, and discuss ways to best engage their residents to expand outreach. Below is a snapshot of recent discussions GLWA has engaged in with Member Partners regarding WRAP.

- Auburn Hills (12/6/22)
- Wayne (12/6/22)
- Hamtramck (12/21/22)
- Flint (1/5/23)
- Livonia (1/6/23 & 1/9/23)
- Roseville (1/10/23)
- Troy (1/11/23)

The Affordability & Assistance team is also coordinating with GLWA's Public Affairs team to develop additional WRAP materials and content to expand outreach efforts.

GLWA remains committed to streamlining administrative processes to reduce the burden on Member Partners. We have coordinated with BS&A and Member Partners to establish a way to automate the process of applying WRAP payments. Efforts are currently underway to enter into an agreement with BS&A on behalf of Member Partners to program this new feature.

#### *WRAP in Flint*

Last month, GLWA shared a press release in Flint announcing the \$1.5 million in WRAP funding that was approved by the GLWA Board of Directors for reallocation to the City of Flint this past June. Details of the recently launched WRAP Income Based Plan (IBP), other program improvements, and information related the on-site support Wayne Metro provides weekly at the City of Flint offices was highlighted. Following the release in early December, Wayne Metro has seen an uptick in WRAP applications from City of Flint residents! In November, 48 households applied for WRAP, and 148 households applied for WRAP in December.

#### *Detroit's Lifeline Plan*

In 2022, the Detroit Water & Sewerage Department (DWSD) rolled out a Lifeline Plan for City of Detroit residents with flat monthly payments of \$18, \$43, and \$56 depending on household income. The Lifeline Plan is partially funded by WRAP at a level of 1% of DWSD revenues (0.5% from GLWA revenues and 0.5% from DWSD revenues). Enrollments for Lifeline began in August 2022 and existing Detroit households that were WRAP participants were automatically enrolled in Lifeline. WRAP funds are used to cover gap payments and

conservation costs. Below are some additional details provided by Wayne Metro, the program administrator of Lifeline.

- The average gap payment is \$50.16, which averages to \$401,280.00 per month in gap payments for 8,000 Lifeline clients.
- Wayne Metro can assist current Lifeline clients for 12 months due to the reallocation of WRAP funds to the City of Detroit that was approved by the GLWA Board last June.
- Arrearages for each enrolled account are paid for by the federally-funded Low Income Household Water Assistance Program (LIHWAP) upon enrollment.

#### *Sustainable Water Assistance Funding*

At the November 29, 2022, One Water Partnership meeting, Member Partners requested GLWA take the lead on efforts related to sustainable water assistance funding. This request was in line with internal GLWA discussions already underway. As a result, GLWA has engaged with Dykema and Public Sector Consultants (PSC) to facilitate and support efforts to secure sustainable funding for water assistance at the state and federal levels. The Affordability & Assistance team will update the Audit Committee as this work progresses.

**Proposed Action:** Receive and file this report.