



Legislation Details (With Text)

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Title: Water Residential Assistance Program Funding for DWSD Lifeline Pilot Plan

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments: 1. 7J1 DWSD Lifeline Plan WRAP Impact, 2. 7J3 DWSD's Lifeline Plan

Date	Ver.	Action By	Action	Result
7/27/2022	1	Board of Directors	Approved	Pass
7/25/2022	1	Audit Committee	Recommended for Approval	Pass

Water Residential Assistance Program Funding for DWSD Lifeline Pilot Plan

Agenda of: July 27, 2022
Item No.: **2022-323**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: July 25, 2022

RE: **Water Residential Assistance Program (WRAP) Funding for New DWSD Lifeline Pilot Plan**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), approves the use of Water Residential Assistance Program Funds for the Detroit Water &

Sewerage Department Lifeline Plan with quarterly reporting of the plan's progress to the GLWA Audit Committee; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Detroit Water & Sewerage Department (DWSD) recently announced an income-based water affordability pilot plan called the Detroit Lifeline Plan. The plan was approved by the Detroit Board of Water Commissioners (BOWC) on June 28, 2022. The plan will offer qualifying customers an inclining block rate structure for water usage providing a lower water rate up to 4,500 gallons per month. Income-qualifying households will pay as little as \$18 per month total for water, sewerage, and drainage costs and no more than \$56 per month. Attached is the presentation that was provided and approved by the Detroit BOWC.

In his presentation to the BOWC, DWSD Director Gary Brown indicated that federal, state, and regional dollars will be used to fund the plan. DWSD plans to leverage Water Residential Assistance Program (WRAP) dollars to help fund a portion of the plan. WRAP is funded through one half of one percent (0.5%) of budgeted revenues, with DWSD contributing an additional one half of one percent (0.5%) for a total of one percent for the City of Detroit. The GLWA Board of Directors also recently approved a reallocation of unused or uncommitted WRAP funds to the City of Detroit in the amount of \$2.8 million. Currently, WRAP funding is used for bill credits, arrearage payments and conservation measures.

JUSTIFICATION

GLWA and DWSD are leaders in exploring new affordability and assistance program designs to leverage existing, limited funding. The direction that DWSD has outlined with the Lifeline Plan is consistent with many of the changes that GLWA presented to the Board in June 2022 for WRAP beginning in FY 2023. Both of the new approaches focus on individual household needs and are consistent with the intent of the WRAP funding. The details of the programs differ largely due to logistical and technology issues.

The following outlines key elements of both plans. *Note that DWSD will use its WRAP appropriation for the Lifeline Plan pilot. Other member partner communities will follow the GLWA WRAP plan.*

Effective Date

Lifeline Plan: FY 2023

WRAP (New Design): FY 2023

Income Eligibility

Lifeline Plan: Yes

WRAP (New Design): Yes

Bill Payment Based on Income

Lifeline Plan: Yes - Flat dollar bill limited to \$18, \$43, or \$56 monthly depending on income eligibility

WRAP (New Design): Yes - Flat dollar assistance payment based on relative

average residential bill by community and household income to determine the level of payment assistance

Administration Considerations

Lifeline Plan:

- One utility with one billing system
- Requires manual account adjustment by utility
- Separate Lifeline Plan team established by Wayne Metro under the GLWA contract

WRAP (New Design):

- 100+ utilities with differing billing systems and processes
- Administered by multiple service delivery partners

Funding

Lifeline Plan:

- 0.5% GLWA Revenues plus
- 0.5% DWSD Revenues, for a total of 1.0%
- Plus reallocation of previous years' unspent funds from other GLWA service areas
- Leverages other state and federal sources coordinated by Wayne Metro

WRAP (New Design):

- 0.5% GLWA Revenues
- Complements other state and federal assistance programs available from Wayne Metro and other respective community action agencies depending on resident's location

Other Benefits Available (although prioritized use of funding sources may vary)

Lifeline Plan: Bill payment, arrearage assistance & conservation measures

WRAP (New Design): Bill payment, arrearage assistance & conservation measures

BUDGET IMPACT

This item does not impact the budget.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its July 25, 2022, meeting. The Audit Committee unanimously recommended that the Great Lakes Water Authority Board of Directors approve the use of Water Residential Assistance Program Funds for the Detroit Water & Sewerage Department Lifeline Plan with quarterly reporting of the plan's progress to the Audit Committee.

SHARED SERVICES IMPACT

No impact at this time.