



Financial Services Audit Committee Communication

Date: February 25, 2022

To: Great Lakes Water Authority Audit Committee

From: Madison Merzlyakov, Affordability and Assistance Manager

Re: WRAP Administrator Contracts

Background: The Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) member partners. The program is funded by GLWA at an amount equal to 0.5 percent of budgeted revenues for the Regional System and not less than 0.5 percent, but not greater than 1.0 percent of budgeted revenues for the DWSD Local System. The budgeted WRAP funding for FY 2022 is \$6.2 million combined for water and sewer services.

In March 2020, GLWA engaged Public Sector Consultants (PSC) to evaluate WRAP through a series of one-on-one meetings and focus groups with various GLWA and WRAP stakeholders. The following objectives were identified for the program for FY 2022 and approved by the GLWA Board of Directors effective October 1, 2021.

1. Codify decentralized program delivery model to expand direct assistance by community action agencies in Macomb and Oakland counties
2. Provide flexibility for the community action agencies to administer the program and to leverage other assistance and outreach efforts provided by the agencies
3. Recruit nonparticipating member partner communities
4. Make WRAP more accessible for residents
5. Improve performance reporting, financial monitoring, cost of service, and program effectiveness
6. Simplify monthly bill payment process
7. Enhance conservation and water repair services
8. Leverage other forms of assistance

Analysis: As part of the first objective above to decentralize program delivery and reflect the way the WRAP is currently being administered, GLWA has been in the process of developing new, individual agreements with each of the Community Action Agencies (CAAs) listed below. These new contracts will be effective March 1, 2022, through June 30, 2023.

The approximate contract values are estimated below and will be finalized shortly given the approval of the budget and charges earlier this week.

Wayne Metropolitan Community Action Agency (Wayne Metro)

- Approximate proposed contract value: \$716,000
- Current contract (GLWA-CS-010) expires February 28, 2022
- Oakland Livingston Human Services Agency (OLHSA)
 - Approximate proposed contract value: \$196,000
 - Current subcontractor to Wayne Metro on GLWA-CS-010
- Macomb Community Action (MCA)
 - Approximate proposed contract value: \$134,000
 - Current subcontractor to Wayne Metro on GLWA-CS-010

GLWA will use this 16-month contract period to monitor the progress, evaluate the performance of the CAAs, and prepare for future program delivery enhancements.

Due to the short timeframe to get the contracts in place, Letters of Intent will be drafted for each CAA effective March 1, 2022 until the formal contracts can be executed within a goal timeframe of 30 to 60 days.

These new contracts are within the Interim Chief Executive Officer's signing authority. It should be noted that staff intends to present this approach to the Board of Directors as a WRAP update in March 2022.

Proposed Action: Receive and File.