



Financial Services Audit Committee Communication

Date: February 25, 2022

To: Great Lakes Water Authority Audit Committee

From: Madison Merzlyakov, Affordability & Assistance Manager

Re: WRAP Funding Reallocation

Background: Periodically, but no less than annually, the Board of Directors considers the reallocation of uncommitted Water Residential Assistance Program (WRAP) funds by fiscal year. The purpose of this reallocation is to provide additional funding to the to those service areas where the funding was fully committed. The purpose of this memo is to recommend reallocation for the uncommitted funds from FY 2020 and FY 2021.

Analysis: Based on reporting from FY 2020 and FY 2021, uncommitted funds from Macomb Community Action (MCA) and Oakland Livingston Human Services Agency (OLHSA) total \$2,096,876 and are summarized in the Table 1 below.

Table 1 – MCA & OLHSA Uncommitted Funds for FY 2020 and FY 2021

| Community Action Agency | FY 2020 Uncommitted Funds | FY 2021 Uncommitted Funds | Total Uncommitted Funds |
|----------------------------|------------------------------|------------------------------|----------------------------|
| MCA | \$448,234 | \$466,161 | \$914,395 |
| OLHSA | \$578,025 | \$604,455 | \$1,182,480 |
| Total | \$1,026,259 | \$1,070,616 | \$2,096,875 |

Wayne Metropolitan Community Action Agency (Wayne Metro) has recommended FY 2020 and FY 2021 uncommitted funds from Out-Wayne County communities remain in the Out-Wayne area to support the 2021 new enrollees in year two, three and beyond. Details of their recommendation can be found in the accompanying letter.

The GLWA Board of Directors has previously authorized the reallocation of uncommitted FY 2016 to FY 2019 WRAP funds to the City of Detroit and the City of Flint. To date, \$4,428,807 has been reallocated to Detroit and \$1,442,437 to the City of Flint from the other counties within GLWA. As shown in **Table 2**.

Table 2 – Total WRAP Reallocation of Uncommitted Funds FY 2016-2019

| Reallocated Funds | Detroit | Flint | Total |
|---------------------------|--------------------|--------------------|--------------------|
| FY 2016 | \$1,664,833 | \$117,485 | \$1,782,318 |
| FY 2017 | 786,981 | 425,635 | 1,212,616 |
| FY 2018 | 794,400 | 427,755 | 1,222,155 |
| FY 2019 | 1,182,593 | 471,562 | 1,654,155 |
| Total Reallocation | \$4,428,807 | \$1,442,437 | \$5,871,244 |

Reallocation Recommendations: Based on the demonstrated usage of the WRAP funds, GLWA staff recommends reallocation of currently uncommitted FY 2020 and FY 2021 suburban WRAP funds as follows and detailed in Table 3 below.

- The City of Flint to receive a total of \$733,906 of the uncommitted funds available (35 percent), with \$633,906 allocated toward direct assistance and the remaining \$100,000 allocated towards conservation assistance.
- The City of Detroit to receive a total of \$1,362,969 of the uncommitted funds available (65 percent) with \$762,969 allocated towards direct assistance and the remaining \$600,000 allocated towards conservation assistance.

Table 3 – Proposed WRAP Reallocation

| Community | Direct Assistance | Conservation Assistance | Total Reallocation |
|-----------|-------------------|-------------------------|--------------------|
| Flint | \$633,906 | \$100,000 | \$733,906 |
| Detroit | \$762,969 | \$600,000 | \$1,362,969 |

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board approve the recommendation to 1) approve the reallocation of the uncommitted FY 2020 and FY 2021 assistance funds of \$733,906 to the City of Flint and \$1,362,969 to the City of Detroit.