



## Financial Services Audit Committee Communication

**Date:** December 16, 2022

**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 a refreshed WRAP Quarterly Report for Q1 FY 2023.

### ***Expanding WRAP Partnerships***

Efforts continue to bring United Way for Southeastern Michigan (UWSEM) on board as the program administrator for WRAP in Oakland County. This is just one of the efforts GLWA is making to increase participation and fund utilization of the program. In June 2022, Wayne Metropolitan Community Action Agency (Wayne Metro) stepped in as the temporary WRAP administrator for Oakland County communities while working to engage with UWSEM began. The UWSEM contract is currently undergoing a final review from GLWA's Legal Team with the expectation that UWSEM will assume full program administrative duties for Oakland County in January 2023. Wayne Metro continues to be engaged in the process and both partners are committed to a seamless transition.

The City of Farmington Hills staff connected GLWA and WRAP Service Delivery Partners with a local organization called CARES (Community. Action. Resources. Services.) in Farmington Hills. The CARES campus offers a food pantry, market, and a navigation center to connect individuals to other programs and services such as WRAP. CARES serves not only Farmington Hills residents, but residents in the surrounding communities, including as Southfield, Novi, Redford, and Livonia. This is a prime example of partnerships that can help expand outreach and connect households to WRAP services. After an initial meeting, the Affordability and Assistance team provided WRAP materials to CARES staff to share with their residents. Efforts will be made to continue exploring ways to partner together.

## ***WRAP Improvements***

In October 2022, the WRAP improvements that were approved by the GLWA Board of Directors in June 2022 took effect. These changes included:

- 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, continue 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.

October and November were months of transition, as bill credit amounts were reevaluated under the new WRAP IBP program for existing WRAP households.

GLWA remains committed to streamlining administrative processes to reduce the burden on Member Partners. We continue to coordinate with BS&A to establish a way to automate the process of applying WRAP payments all while receiving positive feedback from Member Partners that been engaged in those efforts.

## ***WRAP Quarterly Report***

The Affordability & Assistance team, alongside Public Sector Consultants have evaluated the Quarterly WRAP Report that is shared with the Audit Committee. Team members have updated metrics and developed new formatting to better tell the story of WRAP and evaluate the program's success. These changes will allow the report to be more widely shared with Member Partners and the public. The Q1 FY 2023 Report is attached to this report as Appendix A. Some key takeaways are provided below.

- Total summarized spending of WRAP funds allocated
  - Macomb County – 27%
  - Out Wayne County – 20%
  - City of Flint - 12%
  - Washtenaw – 7%
  - Oakland County – 6%
- Macomb County experienced the highest enrollments this quarter with 206 households enrolled in Direct Assistance.
- Outreach efforts in Out-Wayne, Flint and Oakland County were not emphasized during August and September in anticipation of the WRAP IBP rollout in October and

Wayne Metro's efforts to establish dedicated teams and processes for Detroit's Lifeline Plan and WRAP.

- This quarterly report does not contain information related to the WRAP IBP. WRAP IBP data will be part of the Q2 FY 2023 report.
- Due to the implementation of the Lifeline program for Detroit households, data for Detroit are not included in the WRAP quarterly report. GLWA and PSC are currently evaluating Lifeline program data collected and reported by Wayne Metro and will report Lifeline program outcomes in a separate report. The following section provides a brief overview of the Lifeline Plan and metrics.

### ***Detroit's Lifeline Plan***

Detroit Water & Sewerage Department (DWSD) has 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 is a snapshot of Detroit WRAP funding for FY2023 Q1.

- FY 2023 Detroit WRAP Allocation: \$3,186,533
- Funds Reallocated to Detroit: \$2,815,194
- Total Detroit WRAP Funding: \$6,001,727
- FY 2023 Q1 WRAP Funds Spent: \$729,737

### ***Other Updates***

At the November 29, 2022 One Water Partnership meeting, Member Partners requested GLWA take the lead on efforts related to sustainable water affordability funding. This request was in line with some internal discussion underway. More about this effort will be announced in January 2023.

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