



Financial Services Audit Committee Communication

Date: September 22, 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 efforts related to the Water Residential Assistance Program (WRAP) and sustainable water assistance funding.

WRAP Updates

BS&A has completed development of an optional feature within Member Partner's BS&A billing systems that automates the process of applying WRAP payments to the corresponding customer utility account. GLWA launched this project as part of our commitment to streamlining administrative processes related to WRAP funding and to reduce the burden on Member Partners as well as increase their engagement with the program. WRAP Service Delivery Partners are updating and testing their internal systems to accommodate this new feature and are working with communities to begin implementation. An update on this rollout will be provided next month.

The Affordability & Assistance team will be presenting the fourth quarter WRAP report for Fiscal Year 2023 at the October 2023 Audit Committee meeting. Previously, Public Sector Consultants (PSC) has compiled the report for GLWA review. This summer, Affordability & Assistance team members trained with PSC to enable GLWA to bring this report development in-house. This turnover is nearly complete and will enable GLWA to continue to refine and improve the report format and metrics.

As WRAP utilization continues to grow due to the launch of the Income Based Plan (WRAP IBP), the team is exploring a structure that will allow for donations to fund WRAP services. Along with structure decisions, a proposal portfolio is being developed to document the effectiveness of the program. The team will update the Audit Committee as work progresses.

Sustainable Water Assistance Funding

On Wednesday, August 30, 2023, GLWA, the Southeast Michigan Council of Governments (SEMCOG), and Oakland County Water Resources Commission (WRC) co-hosted a Community Water Legislation Forum for municipalities, public works departments, and local elected officials. The webinar included updates regarding the statewide water affordability and shutoff protection bill package that the Senator Chang work group has been drafting, as well as an update on the stormwater utility bill. The presentation that was given during the webinar is included with this report (Attachment 1).

GLWA continues to be a resource to Senator Chang's Water Affordability Work Group that meets nearly twice per week. The group is focused on refining legislation to be introduced this fall and provides the framework for a sustainable statewide water affordability plan. Below is a summary of the bill package that is also captured in Attachment 1. The Affordability & Assistance team will continue to update the Audit Committee as this important work progresses.

1. Water Affordability Plan Bill (tie-barred with Water Affordability Fund Bill)
 - Creates a statewide water affordability plan that is administered by the Michigan Department of Health & Human Services (MDHHS) **OR** a utility can create their own plan.
 - Authorizes assistance to include:
 - Income-based water bill
 - Arrearage assistance
 - Plumbing repairs
2. Water Affordability Fund Bill (tie-barred with Water Affordability Plan Bill)
 - Creates a sustainable funding source to support the Water Affordability Plan.
 - Sets a statewide fee of \$1 to \$3 per retail meter, per month.
3. Water Shutoff Protection Act
 - Does not prevent service disconnection for all customers.
 - Does provide protections for customers before service disconnection can occur.
 - Does prevent service disconnection for critical care customers.
4. Other related bills:
 - Tenant Protections
 - Penal Code Amendments
 - Data Transparency

Last month, the Affordability & Assistance shared information with the Audit Committee regarding a water affordability grant that was awarded by MDHHS to community action

agencies across the state. Attachment 2 provides a snapshot of available information regarding the grant, as well as other water assistance funding available.

Proposed Action: Receive and file this report.