



Financial Services Audit Committee Communication

Date: October 18, 2019

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Quarterly Water Residential Assistance Program Report as of June 30, 2019

Background: The Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) customers. The program is funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2020 funding level of \$4.9 million combined for water and sewer services.

The scope of funding uses includes a) payment assistance and b) water audit and water conservation measures. Eligible residential customers with a past due bill and/or who are in active shut off can receive assistance with paying down arrears and receive \$25 toward monthly bill payment assistance annually up to \$1,000. High volume water users can receive a one-time home audit and home water conservation services up to \$1,000. Maximum annual assistance per household is \$2,000. To participate in WRAP, an applicant must have household gross incomes at or below 150% of the federal poverty income thresholds. Customers with water usage at or above 120% of the average residential usage are eligible to participate in a water audit and install water conservation measures. WRAP participants are also encouraged to participate in both financial coaching and water conservation workshops as well as other support services. The program is administered by Wayne Metro Community Action Agency (“Wayne Metro”), a nonprofit agency.

The WRAP began assisting residents in the GLWA service area on March 1, 2016 and to date has committed over \$13 million in assistance and conservation funds to qualified WRAP participants. WRAP has the potential to serve over 100 communities within the GLWA service area, but to assist qualified households, each community must opt into the program and sign a Memorandum of Agreement (MOA) with Wayne Metro.

Analysis: The following is a recap of key aspects the program to date.

WRAP Community Participation

A community participating in WRAP must receive water and/or sewer service from GLWA. Eligible communities must formally opt into the program by signing a memorandum of agreement with Wayne Metro. To date, 76 communities have opted into WRAP. A list of

current participating communities is presented in **Table 1 – WRAP Participating Communities**.

Table 1 – WRAP Participating Communities

This table shows the level of participation that each community has chosen. Option 1 includes bill assistance, arrearage assistance and conservation. Option 2 includes bill assistance and conservation and Option 3 includes conservation only.

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response	Not Opted In
Wayne County						
Allen Park	X					
Belleville						X
Brownstown Township	X					
Canton Township	X					
Dearborn	X					
Dearborn Heights	X					
Detroit	X					
Ecorse	X					
Flat Rock	X					
Garden City	X					
Gibraltar		X				
Grosse Ile						X
Grosse Pointe						X
Grosse Pointe Farms						X
Grosse Pointe Park						X
Grosse Pointe Shores	X					
Grosse Pointe Woods					X	
Hamtramck	X					
Harper Woods		X				
Huron Township						X
Inkster		X				
Lincoln Park		X				
Livonia	X					
Melvindale	X					
Northville	X					
Northville Township					X	
Plymouth		X				
Plymouth Township						X
Redford Township	X					
River Rouge	X					
Riverview						X
Rockwood						X
Romulus		X				
Southgate	X					
Sumpter Township						X
Taylor		X				
Trenton	X					
Van Buren Township	X					
Wayne	X					
Westland	X					
Woodhaven		X				
Oakland County						
Auburn Hills					X	
Berkley	X					
Beverly Hills	X					
Bingham Farms	X					
Birmingham	X					
Bloomfield Hills	X					
Bloomfield Township						X
Clawson	X					
Commerce Township	X					
Farmington	X					
Farmington Hills	X					
Ferndale	X					
Hazel Park		X				
Huntington Woods	X					
Keego Harbor	X					
Lake Orion					X	
Lathrup Village	X					
Madison Heights	X					
Novi						X
Oak Park		X				
Orchard Lake	X					
Orion Township	X					
Oxford	X					
Pleasant Ridge	X					
Pontiac	X					
Rochester Hills						X
Royal Oak	X					
Royal Oak Township	X					
Southfield	X					
Sylvan Lake						X
Troy					X	
Walled Lake				X		
Waterford Township				X		
West Bloomfield Twp.						
Wixom						
Monroe County						
Ash Township	X					
Berlin Township					X	
South Rockwood					X	
Macomb County						
Centerline	X					
Chesterfield Township	X					
Clinton Township		X				
Eastpointe	X					
Fraser	X					
Harrison Township				X		
Lenox Township				X		
Macomb Township	X					
New Haven	X					
Roseville					X	
Shelby Township	X					
St. Clair Shores	X					
Sterling Heights	X					
Utica	X					
Warren	X					
Washington Township		X				
Washtenaw County						
Augusta Township	X					
Pittsfield Township	X					
Superior Township	X					
Ypsilanti	X					
Ypsilanti Township	X					
Lapeer County						
Almont		X				
Imlay City					X	
Lapeer	X					
Genesee County						
Flint	X					
St. Clair County						
Burtchville Twp.					X	

WRAP Activity

Monies are transferred from GLWA to Wayne Metro as needed to fund the program and support the WRAP Assistance and Conservation efforts. Wayne Metro maintains records of this activity which are reviewed and monitored by GLWA. Following are summaries of this activity for current and prior fiscal years.

Table 2 – WRAP Activity for FY 2019

This table summarizes the budgeted assistance and conservation funds for the City of Detroit and the participating counties within the GLWA service area for FY 2019. The City of Detroit and the City of Flint have fully committed their allocated funds. The participating counties have significant uncommitted balances through the end of FY 2019.

County/City	July 1, 2018 - June 30, 2019				
	Allocated Assistance and Conservation	Committed Assistance and Conservation	Reallocated Assistance and Conservation	Committed Reallocated Assistance and	Remaining Balance
Wayne County					
City of Detroit	1,732,962	1,732,962	-	-	-
Out Wayne	1,009,805	489,059	-	-	520,746
Total Wayne County	2,742,767	2,222,021	-	-	520,746
Oakland County	1,068,211	88,434	-	-	979,777
Macomb County	557,340	100,660	-	-	456,680
Genesee County	-	-	-	-	-
City of Flint	21,211	21,211	-	-	-
Washtenaw County	49,054	17,477	-	-	31,577
Lapeer County	13,725	-	-	-	13,725
Monroe County	7,882	-	-	-	7,882
St. Clair County	3,529	-	-	-	3,529
Total	4,463,719	2,449,803	-	-	2,013,916

Table 3 – WRAP Activity March 2, 2016 through June 30, 2019

This table shows the WRAP cashflow of budgeted and committed funds in total and for each of the participating counties and the City of Detroit as of June 30, 2019. From March 1, 2016 to June 30, 2019, \$16.8 million was budgeted for WRAP bill assistance and conservation assistance and \$13.1 million was utilized by WRAP participants during that time. As of June 30, 2019, the suburban counties still had uncommitted funds (combined assistance and conservation) of over \$2.5 million. The City of Detroit had uncommitted funds of \$794,400 million and the City of Flint had uncommitted funds of \$427,756 due to the reallocation of the uncommitted FY 2018 suburban assistance funds.

Table 3

TOTAL Activity March 1, 2016 to June 30, 2019

Row	Source (Net Revenues)	Detroit	Out-Wayne County	Oakland County	Macomb County	Washtenaw County	St Clair County	Lapeer County	Monroe County	Genesee County	City of Flint	Total
1	FY 2016 Assistance Budget Allocation											
2	Bill and Arrearage Assistance	\$ 1,238,736	\$ 748,629	\$ 740,155	\$ 379,764	\$ 35,419	\$ 3,051	\$ 10,080	\$ 5,093	\$ 63,842	\$ -	\$ 3,224,769
3	Home Audit and Repairs	288,022	174,066	172,096	88,300	8,235	709	2,344	1,184	14,500	-	749,457
4	Total FY 2016 Assistance Budget Allocation	\$ 1,526,759	\$ 922,695	\$ 912,250	\$ 468,064	\$ 43,654	\$ 3,760	\$ 12,424	\$ 6,277	\$ 78,342	\$ -	\$ 3,974,226
5	FY 2017 Assistance Budget Allocation											
6	Bill and Arrearage Assistance	\$ 1,278,103	\$ 806,833	\$ 774,825	\$ 400,804	\$ 37,998	\$ 2,431	\$ 10,059	\$ 5,561	\$ -	\$ -	\$ 3,316,615
7	Home Audit and Repairs	297,856	188,029	180,570	93,406	8,855	578	2,344	1,296	-	-	772,934
8	Total FY 2017 Assistance Budget Allocation	\$ 1,575,960	\$ 994,862	\$ 955,395	\$ 494,209	\$ 46,853	\$ 3,009	\$ 12,403	\$ 6,858	\$ -	\$ -	\$ 4,089,549
9	FY 2018 Assistance Budget Allocation											
10	Bill and Arrearage Assistance	\$ 1,303,229	\$ 848,677	\$ 827,662	\$ 429,388	\$ 40,961	\$ 2,604	\$ 9,970	\$ 5,908	\$ 28,679	\$ -	\$ 3,497,078
11	Home Audit and Repairs	303,712	197,780	192,883	100,067	9,546	607	2,323	1,377	6,684	-	814,979
12	Total FY 2018 Assistance Budget Allocation	\$ 1,606,941	\$ 1,046,457	\$ 1,020,545	\$ 529,455	\$ 50,507	\$ 3,211	\$ 12,294	\$ 7,285	\$ 35,363	\$ -	\$ 4,312,057
13	FY 2019 Assistance Budget Allocation											
14	Bill and Arrearage Assistance	\$ 1,405,432	\$ 818,952	\$ 866,319	\$ 452,003	\$ 39,783	\$ 2,862	\$ 11,131	\$ 6,392	\$ -	\$ 17,202	\$ 3,620,075
15	Home Audit and Repairs	327,530	190,853	201,892	105,337	9,271	667	2,594	1,490	-	4,009	843,643
16	Total FY 2019 Assistance Budget Allocation	\$ 1,732,962	\$ 1,009,805	\$ 1,068,211	\$ 557,340	\$ 49,054	\$ 3,529	\$ 13,725	\$ 7,882	\$ -	\$ 21,211	\$ 4,463,718
17	NET FY 2016-2019 Assistance Available	\$ 6,442,621	\$ 3,973,819	\$ 3,956,402	\$ 2,049,068	\$ 190,069	\$ 13,509	\$ 50,846	\$ 28,301	\$ 113,705	\$ 21,211	\$ 16,839,550
18	Reallocation of Uncommitted Funds											
19	Reallocation of Uncommitted Funds from FY 2016 (1)											
20	Bill and Arrearage Assistance Reallocated to Detroit	\$ 1,664,833	\$ (718,353)	\$ (591,163)	\$ (355,316)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Uncommitted FY 2016 Conservation Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Bill and Arrearage Assistance Reallocated to Flint	\$ -	\$ -	\$ -	\$ -	\$ (35,419)	\$ (3,051)	\$ (10,080)	\$ (5,093)	\$ (63,842)	\$ 117,485	\$ -
23	Total Reallocation of Uncommitted Funds from FY 2016	\$ 1,664,833	\$ (718,353)	\$ (591,163)	\$ (355,316)	\$ (35,419)	\$ (3,051)	\$ (10,080)	\$ (5,093)	\$ (63,842)	\$ 117,485	\$ -
24	Reallocation of Uncommitted Funds from FY 2017 (2)											
25	FY 2017 Reallocation of Assistance Funds	\$ 549,784	\$ (486,355)	\$ (268,078)	\$ (262,634)	\$ (28,401)	\$ (2,431)	\$ (10,059)	\$ (5,561)	\$ -	\$ 307,535	\$ (206,200)
26	FY 2017 Reallocation of Conservation Funds	237,197	(71,911)	(62,120)	(6,248)	(5,866)	(405)	(1,641)	(907)	-	118,100	206,200
27	Total Reallocation of Uncommitted Funds from FY 2017	\$ 786,981	\$ (558,266)	\$ (330,198)	\$ (268,882)	\$ (34,267)	\$ (2,836)	\$ (11,700)	\$ (6,468)	\$ -	\$ 425,635	\$ -
28	Proposed Reallocation of Uncommitted Funds from FY 2018 (3)											
29	FY 2018 Reallocation of Assistance Funds	\$ 438,750	\$ (298,775)	\$ (313,067)	\$ (241,763)	\$ (28,966)	\$ (2,604)	\$ (9,970)	\$ (5,908)	\$ (28,679)	\$ 236,250	\$ (254,732)
30	FY 2018 Reallocation of Conservation Funds	355,650	(96,982)	(116,197)	(59,108)	(9,145)	(607)	(2,323)	(1,377)	(6,684)	191,505	254,732
31	Total Proposed Reallocation of Uncommitted Funds from FY 2018	\$ 794,400	\$ (395,757)	\$ (429,264)	\$ (300,871)	\$ (38,111)	\$ (3,211)	\$ (12,293)	\$ (7,285)	\$ (35,363)	\$ 427,755	\$ -
32	Total Reallocation of Uncommitted Funds	\$ 3,246,213	\$ (1,672,375)	\$ (1,350,625)	\$ (925,069)	\$ (92,507)	\$ (9,097)	\$ (34,073)	\$ (9,905)	\$ (99,205)	\$ 970,875	\$ -
33	NET FY 2016-2019 Assistance Available	\$ 9,688,834	\$ 2,301,444	\$ 2,605,777	\$ 1,123,999	\$ 82,272	\$ 4,411	\$ 16,772	\$ 9,455	\$ 14,500	\$ 992,086	\$ 16,839,550
34	Uses 3/01/2016 to 6/30/2019											
35	Home Audits and Repair Paid to Date	1,454,318	259,759	221,369	159,776	3,067	-	-	-	-	122,109	2,220,398
36	Bill Assistance and Arrearages Paid to Date	4,247,810	698,962	970,804	311,922	19,735	-	-	-	-	153,083	6,402,318
37	Total Uses 3/01/2016 to 6/30/2019	\$ 5,702,128	\$ 958,721	\$ 1,192,173	\$ 471,698	\$ 22,803	\$ -	\$ -	\$ -	\$ -	\$ 275,192	\$ 8,622,716
38	Less: Committed Funds 3/01/2016 to 6/30/2019											
39	Future Bill Assistance	\$ 1,176,727	\$ 134,477	\$ 36,696	\$ 40,212	\$ 3,006	\$ -	\$ -	\$ -	\$ -	\$ 106,399	\$ 1,497,516
40	Future Arrearage Assistance	2,015,579	484,900	209,878	70,043	14,136	-	-	-	-	182,740	2,977,276
41	Total Committed Funds 3/01/2016 to 6/30/2019	\$ 3,192,306	\$ 619,377	\$ 246,574	\$ 110,255	\$ 17,142	\$ -	\$ -	\$ -	\$ -	\$ 289,138	\$ 4,474,792
42	Total Expenditures/Committed Funds	\$ 8,894,435	\$ 1,578,098	\$ 1,438,747	\$ 581,953	\$ 39,945	\$ -	\$ -	\$ -	\$ -	\$ 564,331	\$ 13,097,508
43	Uncommitted Funds as of 6/30/2019 (line 31 - line 40)	\$ 794,400	\$ 723,345	\$ 1,167,029	\$ 542,046	\$ 42,327	\$ 4,411	\$ 16,772	\$ 9,455	\$ 14,500	\$ 427,756	\$ 3,742,042
44	Summary of Uncommitted Funds 6/30/2019											
45	Uncommitted Conservation	\$ 355,650	\$ 322,077	\$ 347,754	\$ 161,978	\$ 17,829	\$ 1,549	\$ 5,641	\$ 3,063	\$ 14,500	\$ 191,505	\$ 1,421,547
46	Uncommitted Assistance	438,750	401,268	819,275	380,068	24,498	2,862	11,131	6,392	-	236,251	2,320,495
47	Total Uncommitted Funds as of 6/30/2019	\$ 794,400	\$ 723,345	\$ 1,167,029	\$ 542,046	\$ 42,327	\$ 4,411	\$ 16,772	\$ 9,455	\$ 14,500	\$ 427,756	\$ 3,742,042

Reallocation of Funds

After the completion of each fiscal year, Wayne Metro recommends to the GLWA Board of Directors the reallocation of uncommitted assistance and conservation funds to those member partners that have fully committed its annual budgeted funds, due to the increased need within their community.

Table 4 – Total WRAP Reallocation of Uncommitted Funds

Reallocated Funds	July 1, 2018 - June 30, 2019		
	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
Total Reallocation	\$3,246,214	\$970,875	\$4,217,089

This table summarizes the Board authorized reallocation of uncommitted FY 2016 to FY 2018 WRAP funds to the City of Detroit and the City of Flint. To date, \$3,246,213 has been reallocated to Detroit and \$970,875 to the City of Flint from the other counties within GLWA.

FY 2020 WRAP Budget and Allocations

Consistent with the previous fiscal years funding allocation for WRAP, the FY 2020 budgeted allocation is based on the proportionality of the revenues derived from each county and the City of Detroit, based on the approved FY 2020 water and sewer service charges and budget.

Table 5 - FY 2020 WRAP Budget and Allocations

This table shows the allocation of the FY 2020 budgeted WRAP funds, which is reflective of the approved FY 2020 budget of \$4.9 million.

Community	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Allocation
WAYNE COUNTY					
CITY OF DETROIT	\$1,405,874	\$351,469	\$210,900	\$1,968,243	40.43%
SUBURBAN	685,847	171,462	102,900	960,209	19.72%
TOTAL WAYNE COUNTY	\$2,091,722	\$522,930	\$313,800	\$2,928,452	62.86%
OAKLAND COUNTY	825,138	206,285	82,600	1,114,023	22.88%
MACOMB COUNTY	533,093	133,273	53,320	719,687	14.78%
GENESEE COUNTY	17,528	4,382	1,753	23,663	0.49%
WASHTENAW COUNTY	39,556	9,889	3,960	53,405	1.10%
LAPEER COUNTY	12,225	3,056	1,223	16,504	0.34%
MONROE COUNTY	6,262	1,565	627	8,454	0.17%
ST. CLAIR COUNTY	2,897	724	290	3,912	0.08%
TOTAL	\$3,528,422	\$882,105	\$457,573	\$4,868,100	100.00%

Approved Program Changes

As a first-of-its-kind assistance program in the state of Michigan, changes to WRAP may be required as the program matures. Following is a summary of program changes made to WRAP since 2016, as approved by the GLWA Board of Directors.

November 30, 2016:

Allow customer communities to opt into program features that best meet the needs of their community. This is captured in the three options below:

Option 1

- Assistance up to \$300 per year in the form of \$25 monthly bill credits. (Applicable if client continues to pay all current monthly/quarterly charges).
- Up to \$700 in arrearage assistance to be paid 50% (up to \$350) after six months in the program, and 50% (up to \$350) after one year. Enrollees are eligible for a second-year arrearage assistance totaling \$700.

- One-time home water audit for households above 120% of average usage.
- Home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage (finding and fixing leaks, upgrading water using fixtures) and/or minor lead replacement assistance.

Option 2

- Assistance up to \$300 per year in the form of \$25 monthly bill credits. (Applicable if client continues to pay all current monthly/quarterly charges).
- One-time home water audit for households above 120% of average usage.
- Home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage (finding and fixing leaks, upgrading water using fixtures) and/or minor lead replacement assistance.

Option 3

- One-time home water audit for households above 120% of average usage.
- Home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage (finding and fixing leaks, upgrading water using fixtures) and/or minor lead replacement assistance.

August 22, 2018:

Removal of the 120% usage requirement for the lead fixture replacement for in-home faucets that pre-date the lead-free plumbing code change.

January 23, 2019:

Extend the 2-year time limitation to provide monthly bill assistance to senior citizens and disabled citizens.

Budget Impact: None

Proposed Action: Receive and file.