



# Water Residential Assistance Program (WRAP) Update

One Water Partnership Meeting  
September 19, 2024

# Today's Topics

- ◆ **Refresher:** How does Water Residential Assistance Program funding work?
- ◆ **Results:** WRAP - FY 2024 unaudited activity
- ◆ **Reminder:** WRAP benefit design
- ◆ **Report:** What's new in Affordability & Assistance?
- ◆ **Resources:** Service Delivery Partners and GLWA Affordability & Assistance team



# Refresher: How does Water Residential Assistance Program funding work?

# WRAP Funding – Legal Authority

- ◆ On September 9, 2014, a Memorandum of Understanding (MOU) “Regarding the Formation of the Great Lakes Water Authority” was executed by the city of Detroit, the state of Michigan, and the counties of Oakland, Macomb, and Wayne.
- ◆ That MOU was entered into federal court in conjunction with the city of Detroit’s Chapter 9 bankruptcy – and was subsequently approved.
- ◆ The MOU, and subsequent legal, authoritative agreements, states “The Authority's common-to-all rate structure shall include ... an amount equal to **0.5% of base budgeted ... revenues** ... for deposit to an independently-administered Water Residential Assistance Program ..”.
- ◆ The agreements include the Lease agreements and Water and Sewer Services Agreement between the city of Detroit and the Great Lakes Water Authority. The Master Bond Ordinance (MBO) established for the GLWA provides for **funding WRAP on a one-twelfth basis each month** within the MBO Trust.
- ◆ On July 1, 2020, the first amendment to the Water and Sewer Services Agreement became effective which allows DWSD to fund WRAP at an amount not less than 0.5% but not greater than 1.0% (rather than the prior limit of 0.5%).

# How is WRAP Calculated & Allocated to Areas?

- ◆ **Step One:** Calculate 0.5% by the revenue requirement (a/k/a charge) in the “Schedule of Charges” adopted by the Board of Directors for each Member Partner
  - ◆ Water and sewer systems calculated separately
- ◆ **Step Two:** Assign each Member Partner to a “WRAP service delivery area”
  - ◆ There are a few Member Partner boundaries that span more than one WRAP service delivery area; an allocation is made based on census data
- ◆ **Step Three:** A subtotal by service area is calculated and provided to the “Service Delivery Partner” who provides service

## WRAP Cashflows

- ◆ **Cash in:** Each month, 1/12 of the annual WRAP allocation (budget) is deposited into a trust account from funds paid by Member Partners as required by Master Bond Ordinance
- ◆ **Cash out:** Each month, the service delivery partner submits a “statement of expenses” that provides the number of clients enrolled, and amounts paid on clients’ behalf for payment assistance, arrearage assistance, conservation measures, and administration
- ◆ **Cashflow:** Now that WRAP nearly fully utilized each year, GLWA and Service Delivery Partners need to watch the cashflow closely

# Frequently Asked Questions

- ◆ What if funds are unspent at end of year?
  - ◆ Any unspent funds at the end of the year are rolled forward to the same service delivery area for next year.
- ◆ So, unspent funds are **not** reallocated to another area?
  - ◆ Correct. Several years ago, some service areas had a material level of unspent funds. In that instance, the Board of Directors reallocated the funds to areas with higher need. This last occurred in June 2022 for funds accumulated through June 2021.
  - ◆ Based on the level of need across the service area, we do not anticipate further reallocations at this time.
- ◆ More questions? Contact Haran Stanley via [wrap@glwater.org](mailto:wrap@glwater.org)



# Results: WRAP - FY 2024 Unaudited Activity





# Wayne Metro – FY 2024 Allocations

## Wayne Metropolitan Community Action Agency

- |                        |                     |
|------------------------|---------------------|
| Allen Park             | Inkster             |
| Ash Township           | Lincoln Park        |
| Augusta Township       | Livonia             |
| Belleville             | Melvindale          |
| Berlin Township        | Northville Township |
| Brownstown Township    | Northville, City of |
| Canton Township        | Pittsfield Township |
| Dearborn               | Plymouth, City of   |
| Dearborn Heights       | Redford Township    |
| Detroit                | River Rouge         |
| Ecorse                 | Riverview           |
| Flat Rock              | Rockwood            |
| Flint                  | Romulus             |
| Garden City            | South Rockwood      |
| Gibraltar              | Southgate           |
| Grosse Ile Township    | Sumpter Township    |
| Grosse Point           | Superior Township   |
| Grosse Point Farms     | Taylor              |
| Grosse Point Park      | Trenton             |
| Grosse Point Shores    | Van Buren Township  |
| Grosse Point Woods     | Wayne, City of      |
| Hamtramck              | Westland            |
| Harper Woods           | Woodhaven           |
| Highland Park          | Ypsilanti Township  |
| Huron Charter Township | Ypsilanti, City of  |

### Area 1 – City of Detroit - \$3.3M – 100% Utilized

- 💧 WRAP Funding for DWSD’s Lifeline Program
- 💧 100% expended within eight months (February 2024)

### Area 2 – City of Flint \$26K - 100% Utilized

- 💧 100% expended withing four months (October 2023)

### Area 3 – Out-Wayne County, Washtenaw, Monroe - \$1.3M – 100% Utilized

- 💧 100% expended within ten months (April 2024)

★ Wayne Metro leveraged state grants and other funding to continue providing services to residents to extent possible, but some were still turned away.





# United Way – FY 2024 Allocation

## United Way from Southeastern Michigan

|                     |                     |
|---------------------|---------------------|
| Auburn Hills        | Novi                |
| Berkley             | Oak Park            |
| Beverly Hills       | Orchard Lake        |
| Bingham Farms       | Orion Township      |
| Birmingham          | Pleasant Ridge      |
| Bloomfield Hills    | Pontiac             |
| Bloomfield Township | Rochester           |
| Clawson             | Rochester Hills     |
| Commerce Township   | Royal Oak Township  |
| Farmington          | Royal Oak, City of  |
| Farmington Hills    | Southfield Township |
| Ferndale            | Southfield, City of |
| Hazel Park          | Sylvan Lake         |
| Huntington Woods    | Troy                |
| Keego Harbor        | Walled Lake         |
| Lake Orion          | Waterford Township  |
| Lathrup Village     | West Bloomfield     |
| Madison Heights     | Wixom               |

## Area 4 –Oakland County- \$1.081M - 95% utilized

- United Way provides payment assistance and subcontracts with Wayne Metro for conservation services
- Oakland County provided supplemental funding from ARPA to serve residents who did not meet WRAP criteria
- State grants have excluded awards to nonprofits like United Way, but have awarded funds to Oakland Livingston Human Service Agency (a designated community action agency)
- Oakland County illustrates the level of networking and collaboration needed to provide services



Macomb  
Community  
Action

# Macomb Community Action – FY 2024

## Macomb Community Action Agency

Almont  
Bruce Township  
Burtchville Township  
Center Line  
Chesterfield Township  
Clinton Township  
Eastpointe  
Fraser  
Harrison Township  
Imlay City  
Lapeer  
Lenox Township  
Macomb Township  
Mayfield Township  
New Haven  
Romeo  
Roseville  
Shelby Township  
St. Clair Shores  
Sterling Heights Utica  
Warren  
Washington Township

## Area 5–Macomb County- \$818k - 100% utilized

- ◆ Macomb Community Action (MCA) forecasted in January 2024 that the funds of \$1.1M (which included FY 2024 plus a carryover amount of \$322k) were be fully expended by April 2024
  - ◆ FY 2024 ended with a small overspend of \$35k which was covered with FY 2025 allocation
- ◆ MCA secured state grants to continue providing services

The image features four tall, clear glass tumblers arranged in a row against a light blue background. From left to right, the first three glasses are in the process of being filled with water. The first glass has a thin stream of water falling into it, creating a small splash at the bottom. The second glass has a thicker stream of water, with more bubbles and a higher water level. The third glass is being filled more rapidly, with a large amount of water being poured in, creating many bubbles and a high water level. The fourth glass is completely full of water, with a smooth surface and no visible pouring. A semi-transparent blue horizontal band is overlaid across the middle of the glasses, containing the text 'Reminder: WRAP Benefit Design' in white. The entire scene is reflected on a dark blue surface below the glasses.

## Reminder: WRAP Benefit Design

# Funding: Household Rates Vary Across Service Area

- ◆ In 2022, Raftelis conducted a survey of retail rates across GLWA's Member Partner communities
- ◆ Data secured online or by phone - unable to find data for five communities.
- ◆ Raftelis calculated a standard typical bill in each community, assuming a customer had a 5/8" water meter and used 6 Ccf of water per month.

|                     | Description | Annual Cost - 6 Ccf per month |           |            | Monthly Cost |
|---------------------|-------------|-------------------------------|-----------|------------|--------------|
|                     |             | Water                         | Sewer     | Total      |              |
| Excludes<br>Detroit | Minimum     | \$ 306.00                     | \$ 216.00 | \$ 522.00  | \$ 43.50     |
|                     | Average     | 361.62                        | 498.84    | 860.46     | 71.70        |
|                     | Maximum     | 702.54                        | 948.78    | 1,651.32   | 137.61       |
|                     | Detroit     | \$ 285.84                     | \$ 714.67 | \$1,000.51 | \$ 83.38     |

*320% Difference from Min (\$44) to Max (\$138) – a key driver for Income Based Plan design*

Note: Analysis conducted before DWSD implemented the Lifeline Program

# WRAP Income Based Plan

💧 WRAP provides assistance to qualifying households in the GLWA service area through:

- 💧 Water and/or Sewer Bill Credits
- 💧 Arrearage or Past Due Balance Assistance
- 💧 Home Water Audit & Minor Plumbing Repairs

💧 Recent improvements include:

- 💧 Income-based bill credits
- 💧 No formal opt-in is required by individual communities
- 💧 Case management emphasized



**Macomb  
Community  
Action**



**United Way  
for Southeastern Michigan**



**Wayne Metropolitan**  
Community Action Agency



# Overview of WRAP Elements

## Bill Credits – Income Based!

- Amount is unique to each household
- Based on income & amount of water & sewer bill
- After applied, the amount the household is expected to pay is ~3% of the household income
- Rapid Assistance available

## Arrearage Assistance

- Up to \$1,200 in arrearage assistance upon enrollment in Year 1
- Up to \$1,200 in arrearage assistance upon enrollment in Year 2
- A household does not need to have a past due balance or be in shutoff status to enroll in WRAP

## Conservation & Plumbing Repairs

- Up to \$2,000 in services such as:
  - Home Water Audit
  - Minor Plumbing Repairs
  - Educational information regarding water usage
- Emphasis on a healthy home





## Report: What's new in Affordability & Assistance?



# Following the Affordability Legislation

Updates and additional information at <https://www.miwaterplan.com/>

**MICHIGAN'S PENDING WATER AFFORDABILITY LEGISLATION**

The most comprehensive and administratively achievable statewide water affordability program in the nation that protects the health of low-income households.

**WIDE-RANGING COALITION**  
of 65+ stakeholders worked for more than a year on this legislation.

- Legislators
- Nurses
- Michigan DHHS
- Community water advocates
- Water utility associations
- Water utilities
- Environmental groups
- Social service agencies
- Community action agencies

**WATER AFFORDABILITY PACKAGE SERVES TWO PRIMARY PURPOSES:**

1. Protects public health because income-eligible customers will be able to pay an affordable bill and not be at risk of shut off; and
2. Reduces rate increases to cover bad risk and helps water systems better focus their revenues on critical operational and infrastructure needs.

**FOUR KEY BILLS:**

**SB 549/HB 5088**  
Establishes a Statewide Income Based Water Affordability Program

- Two tiers, a capped payment:
  - > 0 - 15% of federal poverty level (FPL) - 2% of average household income in service area
  - > 15% - 200% of FPL - 3% of average household income in the service area
  - > 200% - 250% of FPL - 4% of average household income in the service area
- Hardship waivers for households at 20% - 250% of FPL
- Hardship waiver: \$1,500 year one, \$1,500 year two, hardship option to erase higher balances
- Average forgiveness: \$1,500 year one, \$1,500 year two, hardship option to erase higher balances
- Plumbing repairs up to \$2,500 to conserve water and lower bills
- Discounted water rate on household usage to encourage reasonable usage
- Discouraged water rate on household usage to encourage reasonable usage
- Triage process if the person falls behind in payments (repairs/ground services)
- New or existing locally administered programs must meet state criteria

**SB 550/HB 5089**  
Funding Mechanism to Pay for the Program

- \$2 per month per domestic use metered water account
- Approved pre-existing affordability plans have option to reduce monthly fee
- Money goes from providers to a central fund at State Treasury
- Money is segregated to four Michigan Department of Health & Human Services (MDHHS) regions - what is collected in a region, is distributed to that region

**SB 551/HB 5090**  
Shut Off Protection

- Sets terms requirements for number of and content of notices prior to service interruption for non-payment
- New critical Care Customers category protects medically documented customers from shut off regardless of income

**SB 900**  
Establishes Low Income Water Residential Affordability Program Task Force

- Reviews and makes recommendations regarding program rules, administration and funding

More on back

**BUSINESS CASE FOR LEGISLATION — THE VALUE PROPOSITION:**

Studies show there is need across the state for robust water affordability: urban, suburban and rural communities are struggling to pay their water bills.

- In 2020, more than 377,000 Michigan households were known to have past due water bills.
- The University of Michigan and Public Sector Consultants report that between 290,000 and 390,000 Michigan households would benefit from this statewide water affordability program.

The \$2 user-fee puts water systems on equal footing with Michigan Energy Assistance Program (MEAP) fee on heating and cooling utility bills, which has been around for decades.

All customers cover debt of those who cannot pay—one way or another.

- Water costs have increased 188% over the past four decades as water rates have doubled or even tripled in communities across Michigan.

Water providers are often forced to increase rates in order to cover unpaid water bills to continue providing treated drinking water, conveying sewage/stormwater, maintaining infrastructure such as planned pipe rehabilitation, and emergency repairs to all their customers.

Even municipalities that use tax roll incur debt.

For more information  
[Miwaterplan.com](https://www.miwaterplan.com)



A sequence of four tall, clear glasses filled with water, arranged horizontally. Water is being poured into each glass from above, creating a dynamic splash effect. The water level in the glasses increases from left to right. The background is a solid light blue color.

## Resources: Service Delivery Partners and GLWA Affordability & Assistance team

# Affordability & Assistance Leadership



**Haran Stanley**

- ◆ Serves as the internal and external resource for strategic policies and programs related to water affordability and assistance.
- ◆ Facilitates hub utility initiatives and partnerships on efforts related to affordability and assistance.
- ◆ Manages the Water Residential Assistance Program to continue to roll out improvements and increase effectiveness.

# WRAP Toolbox

💧 Visit [www.glwater.org/assistance](http://www.glwater.org/assistance)

💧 Email [WRAP@glwater.org](mailto:WRAP@glwater.org)

💧 WRAP Materials:

💧 Service Delivery Partner Information

💧 Flyers

💧 Frequently Asked Questions

💧 Infographics

💧 Service Delivery Partner Information



Careers

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ABOUT

OUR SYSTEM

MEMBERS

VENDORS

INVESTOR RELATIONS

# Today's Recap

- ◆ **Refresher:** WRAP funding from a service area stays within that service area
- ◆ **Results:** WRAP - FY 2024 unaudited year-end activity – almost all funds across all areas fully utilized
- ◆ **Reminder:** WRAP benefit design to meet each household's need
- ◆ **Report:** Michigan is a leader in tackling Affordability & Assistance
- ◆ **Resources:** Help is available for you and your residents



# WRAP

Water Residential Assistance Program