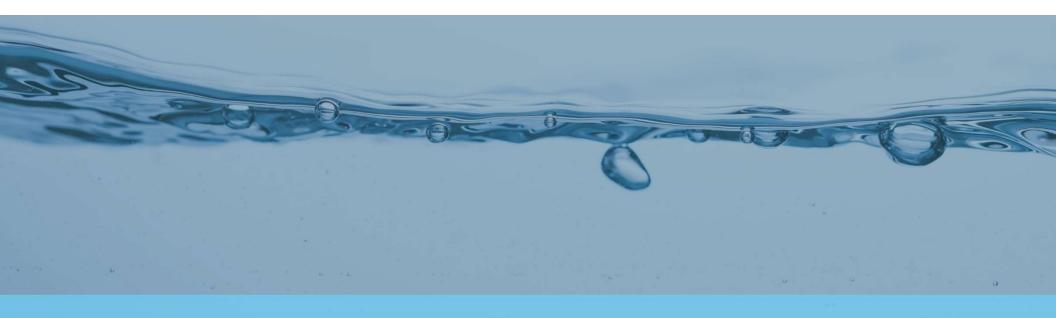


## **Today's Topics**

- **♦ 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 <u>wrap@glwater.org</u>





## Results: WRAP - FY 2024 Unaudited Activity





# Wayne Metro – FY 2024 Allocations

### Wayne Metropolitan Community Action Agency

Allen Park
Ash Township
Augusta Township
Belleville
Berlin Township
Brownstown Township
Canton Township
Dearborn
Dearborn Heights
Detroit
Ecorse
Flat Rock
Flint

Garden City
Gibraltar
Grosse Ile Township

Grosse Point Farms Grosse Point Park

Grosse Point Shores Grosse Point Woods Hamtramck Harper Woods Highland Park

Huron Charter Township

Inkster Lincoln Park Livonia Melvindale

Northville Township Northville, City of Pittsfield Township Plymouth, City of

Redford Township River Rouge Riverview Rockwood

Romulus South Rockwood Southgate

Sumpter Township Superior Township

Taylor Trenton

Van Buren Township Wayne, City of

Wayne, City of Westland Woodhaven

Ypsilanti 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

#### United Way from Southeastern Michigan

Auburn Hills Berkley **Beverly Hills** Bingham Farms Birmingham **Bloomfield Hills** Bloomfield Township Clawson Commerce Township Farmington Farmington Hills Ferndale Hazel Park **Huntington Woods** Keego Harbor Lake Orion Lathrup Village Madison Heights

Novi Oak Park Orchard Lake Orion Township Pleasant Ridge Pontiac Rochester Rochester Hills Royal Oak Township Royal Oak, City of Southfield Township Southfield, City of Sylvan Lake Troy Walled Lake Waterford Township West Bloomfield 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 – 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





# 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	
		Water		Sewer		Total		Cost	
<b>Excludes Detroit</b>	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





United Way for Southeastern Michigan





#### **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







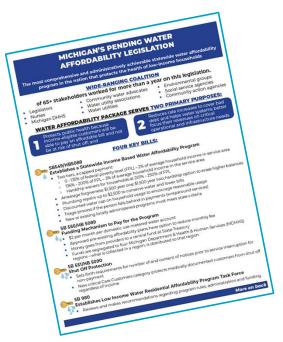
# Report: What's new in Affordability & Assistance?



# Following the Affordability Legislation

Updates and additional information at

https://www.miwaterplan.com/









## 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 <u>www.glwater.org/assistance</u>
- **♦** Email <u>WRAP@glwater.org</u>
- **WRAP Materials:** 
  - Service Delivery Partner Information
  - Flyers
  - Frequently Asked Questions
  - Infographics
  - Service Delivery Partner Information





## **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





Water Residential Assistance Program

