



Financial Services Audit Committee Communication

Date: April 28, 2023

To: Great Lakes Water Authority Audit Committee

From: Madison Merzlyakov, Affordability & Assistance Manager

Re: Proposed Water Residential Assistance Program Service Delivery Partner Agreements

Background & Analysis: The Water Residential Assistance Program (WRAP) is administered through local Service Delivery Partners such as County of Macomb (Macomb Community Action), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency. All three contracts are set to expire on June 30, 2023. New contracts are proposed which will provide continuity of WRAP Services for the region.

On March 24, 2023, the GLWA Audit Committee unanimously recommended these items to the GLWA Board for approval. Since that time, discussions with the WRAP Service Delivery Partners have prompted GLWA to reevaluate the fee for service cap, which was previously at 12 percent. In discussions with the service delivery partners that have smaller volume programs, a request for a higher cap was made given the fixed costs of marketing, outreach, and other program activities. An increase in cap will allow WRAP to be a sustainable program for the Service Delivery Partners (rather than a burden on their budget and other resources). The increased cap will allow for adequate compensation due to increased participation as a result of recent program improvements. The GLWA team will work with each specific Service Delivery Partner to determine the specifics of their contract, as each Service Delivery Partner is unique. The dedicated WRAP funding for the City of Detroit (Area 1) has also been included in the contract with Wayne Metro. See attached draft Great Lakes Water Authority ("GLWA") Board letters. All items that have been updated since March 24, 2023, have been highlighted in yellow that would address the better understanding that we now have in delivering the program.

Proposed Action: The GLWA Audit Committee recommends that the GLWA Board authorizes the CEO to enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget at its meeting on May 24, 2023, for the following items:

- WRAP Service Delivery Partner – County of Macomb
- WRAP Service Delivery Partner – United Way for Southeastern Michigan (Oakland County)
- WRAP Service Delivery Partner – Wayne Metropolitan Community Action Agency

DRAFT for Audit Committee Review Only

..Title

Contract Approval for Water Residential Assistance Program (WRAP) Service Delivery Partner – County of Macomb

..Body

Agenda of: May 24, 2023

Item No.: **2023-119**

Amount: \$817,626

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: May 24, 2023

RE: Contract Approval for Water Residential Assistance Program (WRAP) Service Delivery Partner – County of Macomb

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer and Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget for Water Residential Assistance Program (WRAP) Service Delivery Partner – County of Macomb**; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Residential Assistance Program (“WRAP”) provides assistance to qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) Member Partners through bill credits, arrearage payments and conservation measures such as minor plumbing repairs. The program is funded at an amount equal to one half of one percent (0.5%) of GLWA budgeted revenues with DWSD contributing additional local funding for the City of Detroit. WRAP is administered through local Service Delivery Partners such as County of Macomb (Macomb Community Action), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency.

The Program serves the entire GLWA service area which consists of and is defined for purposes of this Contract as follows:

Area 1: City of Detroit

Area 2: City of Flint

Area 3: Wayne (not including Detroit), Washtenaw, and Monroe Counties

Area 4: Oakland County

Area 5: Macomb, St. Clair, and Lapeer Counties

JUSTIFICATION

In March 2020, GLWA engaged Public Sector Consultants (PSC) to evaluate WRAP. One of the objectives identified was: “Codify decentralized program delivery model to expand direct assistance by community action agencies in Macomb and Oakland counties”. Since then, individual contracts with County of Macomb (which supports the Macomb Community Action agency), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency have been secured. All three contracts are set to expire on June 30, 2023. A new contract is proposed which will provide continuity of WRAP Services to Area 5, Macomb, St. Clair, and Lapeer Counties, serviced by the Macomb Community Action agency.

The new, proposed contract with County of Macomb for WRAP Service Delivery in “Area 5” (Macomb, St. Clair, and Lapeer Counties) is for an initial term of one-year and provides for an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget.

Because the WRAP amount available varies based on budgeted annual revenues, the proposed contract is structured with annual renewals in order to be able to update the dollar amount to align with GLWA's adopted budget.

Table 1 (attached) provides the FY24 WRAP Budget by Area. The budget includes both the service delivery partner fee (**not to exceed 18%**) as well as amounts for payment assistance and conservation efforts.

BUDGET IMPACT

The funding of this contract is paid from the budgeted WRAP funds each year and does not impact the GLWA annual budget.

COMMITTEE REVIEW

This matter was reviewed by the Audit Committee at its meeting on April 28, 2023. The Audit Committee [*insert action*] that the GLWA Board authorizes the CEO to enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget for Water Residential Assistance Program (WRAP) Service Delivery Partner – County of Macomb.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.

DRAFT for Audit Committee Review Only

..Title

Contract Approval for Water Residential Assistance Program (WRAP) Service Delivery Partner – United Way for Southeastern Michigan

..Body

Agenda of: May 24, 2023

Item No.: **2023-120**

Amount: \$1,081,481

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: May 24, 2023

RE: Contract Approval for Water Residential Assistance Program (WRAP) Service Delivery Partner – United Way for Southeastern Michigan

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer and Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget contract for the Water Residential Assistance Program (WRAP) Service Delivery Partner – United Way for Southeastern Michigan;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Residential Assistance Program (“WRAP”) provides assistance to qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) Member Partners through bill credits, arrearage payments and conservation measures such as minor plumbing repairs. The program is funded at an amount equal to one half of one percent (0.5%) of GLWA budgeted revenues with DWSD contributing additional local funding for the City of Detroit. WRAP is administered through local Service Delivery Partners such as County of Macomb (Macomb Community Action), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency.

The Program serves the entire GLWA service area which consists of and is defined for purposes of this Contract as follows:

Area 1: City of Detroit

Area 2: City of Flint

Area 3: Wayne (not including Detroit), Washtenaw, and Monroe Counties

Area 4: Oakland County

Area 5: Macomb, St. Clair, and Lapeer Counties

JUSTIFICATION

In March 2020, GLWA engaged Public Sector Consultants (PSC) to evaluate WRAP. One of the objectives identified was: “Codify decentralized program delivery model to expand direct assistance by community action agencies in Macomb and Oakland counties”. Since then, individual contracts with County of Macomb (Macomb Community Action), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency have been secured. All three contracts are set to expire on June 30, 2023. A new contract is proposed will provide continuity of WRAP Services to Area 4, Oakland County, service by United Way for Southeastern Michigan.

The new, proposed contract with United Way for Southeastern Michigan for WRAP Service Delivery in Area 4 is for an initial term of one-year and provides for an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget.

Because the WRAP amount available varies based on budgeted annual revenues, the proposed contract is structured with annual renewals in order to be able to update the dollar amount to align with GLWA’s adopted budget.

Table 1 (attached) provides the FY24 WRAP Budget by Area. The budget includes both the service delivery partner fee (not to exceed 15%) as well as amounts for payment assistance and conservation efforts.

BUDGET IMPACT

The funding of this contract is paid from the budgeted WRAP funds each year and do not impact the annual budget.

COMMITTEE REVIEW

This matter was reviewed by the Audit Committee at its meeting on April 28, 2023. The Audit Committee [*insert action*] that the GLWA Board authorizes the CEO to enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget contract for the Water Residential Assistance Program (WRAP) Service Delivery Partner – United Way for Southeastern Michigan.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.

DRAFT for Audit Committee Review Only

..Title

Contract Approval for Water Residential Assistance Program (WRAP) Service Delivery Partner – Wayne Metropolitan Community Action Agency

..Body

Agenda of: May 24, 2023

Item No.: **2023-121**

Amount: **\$7,983,565**

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: May 24, 2023

RE: Contract Approval for Water Residential Assistance Program (WRAP) Service Delivery Partner – Wayne Metropolitan Community Action Agency

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer and Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget for Water Residential Assistance Program (WRAP) Service Delivery Partner – Wayne Metropolitan Community Action Agency;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Residential Assistance Program (“WRAP”) provides assistance to qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) Member Partners through bill credits, arrearage payments and conservation measures such as minor plumbing repairs. The program is funded at an amount equal to one half of one percent (0.5%) of GLWA budgeted revenues with DWSD contributing additional local funding for the City of Detroit. WRAP is administered through local Service Delivery Partners such as County of Macomb (Macomb Community Action), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency.

The Program serves the entire GLWA service area which consists of and is defined for purposes of this Contract as follows:

Area 1: City of Detroit

Area 2: City of Flint

Area 3: Wayne (not including Detroit), Washtenaw, and Monroe Counties

Area 4: Oakland County

Area 5: Macomb, St. Clair, and Lapeer Counties

JUSTIFICATION

In March 2020, GLWA engaged Public Sector Consultants (PSC) to evaluate WRAP. One of the objectives identified was: “Codify decentralized program delivery model to expand direct assistance by community action agencies in Macomb and Oakland counties”. Since then, individual contracts with County of Macomb (Macomb Community Action), United Way for Southeastern Michigan and, Wayne Metropolitan Community Action Agency have been secured. All three contracts are set to expire on June 30, 2023. A new contract is proposed which will provide continuity of WRAP Services to **Area 1**, Area 2, and Area 3, Wayne, Washtenaw, and Monroe Counties and the City of Flint, serviced by Wayne Metropolitan Community Action Agency.

The new, proposed contract with Wayne Metropolitan Community Action Agency for WRAP Service Delivery in **Area 1**, Area 2, and Area 3 is for an initial term of one-year and provides for an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget.

Because the WRAP amount available varies based on budgeted annual revenues, the proposed contract is structured with annual renewals in order to be able to update the dollar amount to align with GLWA's adopted budget.

Table 1 (attached) provides the FY24 WRAP Budget by Area. The budget includes both the service delivery partner fee (not to exceed 15%) as well as amounts for payment assistance and conservation efforts. Note that the funds set aside for Area 1 (Detroit) are to be used in accordance with the DWSD Lifeline Policy and the contact between DWSD and Wayne Metro and are not constrained by the Administrative, Direct Assistance and Conservation breakdown of funding.

BUDGET IMPACT

The funding of this contract is paid from the budgeted WRAP funds each year and do not impact the annual budget.

COMMITTEE REVIEW

This matter was reviewed by the Audit Committee at its meeting on April 28, 2023. The Audit Committee [*insert action*] that the GLWA Board authorizes the CEO to enter into a one-year contract with an additional four (4) one-year options to renew the contract, at the same terms and conditions, to be exercised and approved by the CEO immediately following approval of the Budget for Water Residential Assistance Program (WRAP) Service Delivery Partner – Wayne Metropolitan Community Action Agency.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.

Table 1 – FY 2024 WRAP Budget by Area

Community	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Allocation
CITY OF DETROIT					
SHARE OF WHOLESALE FUNDING	N/A	N/A	N/A	\$1,144,172	26.27%
LOCAL WRAP FUNDING	N/A	N/A	N/A	2,191,900	
TOTAL DETROIT				\$3,336,072	26.27%
WAYNE COUNTY	732,643	183,161	161,612	1,077,416	24.74%
OAKLAND COUNTY	735,407	183,852	162,222	1,081,481	24.83%
MACOMB COUNTY	505,884	126,471	138,810	771,164	17.71%
GENESEE COUNTY	17,641	4,410	3,891	25,942	0.60%
WASHTENAW COUNTY	41,288	10,322	9,108	60,717	1.39%
LAPEER COUNTY	21,115	5,279	5,794	32,188	0.74%
MONROE COUNTY	100,195	25,049	22,102	147,346	3.38%
ST. CLAIR COUNTY	9,364	2,341	2,569	14,274	0.33%
TOTAL	\$2,163,536	\$540,884	\$506,108	\$6,546,600	100.00%