



Financial Services Audit Committee Communication

Date: September 21, 2018

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Proposed Change Order No. 2
Contract No. GLWA-CS-010 Water Residential Assistance Program (WRAP)

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 FY 2016 funding level of \$4.5 million combined for water and sewer services, \$4.7 million in FY 2017, \$4.9 million for FY 2018 and \$4.9 million for FY 2019.

The scope of funding 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 (\$300 annually) and up to \$700 for arrearage assistance annually. 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 providing assistance to customers of GLWA on March 1, 2016 and has the potential to serve over 100 communities within the GLWA service area. In order to assist qualified households each community must opt into the program and sign a Memorandum of Agreement (MOA) with Wayne Metro. To date, 75 communities have opted into WRAP.

Justification: The WRAP is funded each fiscal year, based on 0.50% of budgeted revenues for that fiscal year. The contract with Wayne Metro (GLWA CS-010) specifies the not to exceed administrative fee amount based on the anticipated allocation of assistance dollars to each county. This change order extends the GLWA CS-010 through June 30, 2020 and it increases the contract amount based on the total budgeted WRAP funding amounts from the table below. Based on the budgeted WRAP funding, and the proposed allocation of WRAP funds to the City of Detroit and participating counties, the administration fees for FY 2019 and FY 2020 total \$950,000.

PROJECT MANAGEMENT STATUS

Original Start Work Date:	February 22, 2016
Original Contract End Date:	February 21, 2018
Change Order 1 Contract End Date:	June 30, 2018
Proposed Change Order 2 Contract End Date:	June 30, 2020

PROJECT ESTIMATE

Original Contract Price	\$825,000.00
Change Order No. 1	\$480,900.00
Change Order No. 2	\$950,000.00
New Contract Total	\$2,255,900.00

Budget Impact: The funding of the proposed administration fees for WRAP are paid from the 0.50% of the budgeted WRAP funds each year and do not impact the FY 2019 or FY 2020 Budget.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board approve a resolution to enter into Change Order No. 2 of Contract No. GLWA-CS-010, "Water Residential Assistance Program (WRAP)" with Wayne Metropolitan Communication Action Agency, a cost increase of \$950,000.00, for a total cost not to exceed \$2,255,900.00, and a time extension of 24 months for a total contract duration of fifty-four months.

**BUDGETED WRAP REVENUE ALLOCATION
WHOLESALE AND CITY OF DETROIT CUSTOMERS
FY 2019**

Community	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Allocation
WAYNE COUNTY					
CITY OF DETROIT	\$1,405,432	\$327,530	\$208,481	\$1,941,442	39.36%
SUBURBAN	818,952	190,853	121,483	1,131,288	22.94%
TOTAL WAYNE COUNTY	\$2,224,384	\$518,383	\$329,964	\$3,072,731	62.86%
OAKLAND COUNTY	866,319	201,892	85,855	1,154,065	23.40%
MACOMB COUNTY	452,003	105,337	44,795	602,135	12.21%
GENESEE COUNTY	17,202	4,009	1,705	22,915	0.46%
WASHTENAW COUNTY	39,783	9,271	3,943	52,997	1.07%
LAPEER COUNTY	11,131	2,594	1,103	14,829	0.30%
MONROE COUNTY	6,392	1,490	634	8,516	0.17%
ST. CLAIR COUNTY	2,862	667	284	3,812	0.08%
TOTAL	\$3,620,076	\$843,643	\$468,281	\$4,932,000	100.00%

(1) Based on allocation of assistance funds of 81.1% Direct Bill Asst. and 18.9% Conservation Asst.

(2) Based on FY 2019 Budgeted WRAP Funding of:

\$4,932,000

FY 2020

Community	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Allocation
WAYNE COUNTY					
CITY OF DETROIT	\$1,453,898	\$338,825	\$211,663	\$2,004,386	39.36%
SUBURBAN	845,128	196,953	125,884	1,167,966	22.94%
TOTAL WAYNE COUNTY	\$2,299,026	\$535,778	\$337,547	\$3,172,352	62.86%
OAKLAND COUNTY	894,236	208,398	88,848	1,191,481	23.40%
MACOMB COUNTY	466,568	108,732	46,356	621,656	12.21%
GENESEE COUNTY	17,756	4,138	1,764	23,658	0.46%
WASHTENAW COUNTY	41,065	9,570	4,080	54,715	1.07%
LAPEER COUNTY	11,490	2,678	1,142	15,309	0.30%
MONROE COUNTY	6,598	1,538	656	8,792	0.17%
ST. CLAIR COUNTY	2,954	688	293	3,936	0.08%
TOTAL	\$3,739,694	\$871,519	\$480,687	\$5,091,900	100.00%

(1) Based on allocation of assistance funds of 81.1% Direct Bill Asst. and 18.9% Conservation Asst.

(2) Based on FY 2020 Budgeted WRAP Funding of:

\$5,091,900

2-Year Total

\$948,968