

..Title

Water Residential Assistance Program Reallocation Request for Uncommitted FY 2019 Funds

..Body

Agenda of: February 26, 2020

Item No.: **2020-066**

Amount: n/a

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: February 26, 2020

RE: Water Residential Assistance Program Reallocation Request for Uncommitted FY 2019 Funds

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), to

- 1) **approve the reallocation of the uncommitted FY 2019 assistance funds of \$1,680,580; \$690,100 to Detroit and \$371,562 to Flint for direct assistance, \$359,761 to Community Outreach to increase program participation in suburban communities and with the remaining \$259,157 transferred to conservation funding;**
and
- 2) **approve the reallocation of the uncommitted FY 2019 conservation funds in the amount of \$333,336 together with the \$259,157 transferred funds from FY 2019 uncommitted assistance funds together totaling \$592,493 be reallocated to Detroit in the amount of \$492,493 and to Flint in the amount of \$100,000; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

After the completion of each fiscal year, Wayne Metro recommends a reallocation of uncommitted assistance and conservation funds to the GLWA Board of Directors. The objective is to provide resources that have not been utilized by other communities to those member partners that have fully committed their annual budgeted allocation and have further needs identified. Included in this memo is the recommended reallocation for the uncommitted FY 2019 for the Water Residential Assistance Program (WRAP).

JUSTIFICATION

On October 18, 2019, the quarterly WRAP report was presented to the GLWA Audit Committee. Included in that report was the budgeted WRAP assistance and conservation allocations to the City of Detroit and the counties served by GLWA for FY 2019 and the FY 2019 committed assistance and conservation funds. Based on the FY 2019 activity in Table 1 (*see attachment 1*), there was a total of \$2,013,916 in uncommitted WRAP funds.

Table 2 (*see attachment 2*) 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.

The GLWA Board has previously authorized the 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. As shown in Table 3 (*see attachment 3*).

Wayne Metro Reallocation Recommendations

Based on the demonstrated usage of the WRAP funds since March 1, 2016 and the usage through the end of FY 2019, Wayne Metro is recommending reallocation of currently uncommitted FY 2019 suburban WRAP funds. Attached is Wayne Metro's letter (including referenced documents) dated January 10, 2020 which outlines their recommendations. Below is a summary of the recommendations:

1. Reallocation of Uncommitted FY 2019 Assistance Funds: WRAP utilization in FY 2019 for suburban Counties had uncommitted assistance dollars of \$1,680,580. Wayne Metro is recommending the \$1,680, 580 be reallocated to Detroit in the Amount of \$690, 100, to Flint in the Amount of \$371,562, to Community Outreach to increase program participation in suburban communities in the Amount of \$359, 761 with the remaining \$259,157 transferred to conservation funding
2. Reallocation of Uncommitted FY 2019 Conservation Funds: In addition to the uncommitted assistance funds, \$333,336 remain from the suburban Counties' allocation of the conservation funds from FY 2019. Wayne Metro is recommending combining the \$259,157 of repurposed FY 2019 assistance funds (noted above) and the \$333,336 of unspent FY 2019 suburban Counties' conservation funds for a total of \$592,493. From the \$592,493, Wayne Metro is recommending the transfer of \$492,493 to the City of Detroit and \$100,000 to the City of Flint as shown in Table 4 (*see attachment 4*).

BUDGET IMPACT

None.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed this item at its February 21, 2020 meeting and recommends that the Great Lakes Water Authority Board _____ open _____.