



Financial Services Audit Committee Communication

Date: September 25, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Water Residential Assistance Program – Discussion of Temporary Program Change
Related to Participant Removal due to COVID-19

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 currently funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2021 funding level of \$6.1 million combined for water and sewer services.

The scope of funding uses 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 annually up to \$1,000. High volume water users can receive a one-time home audit and home water conservation services of an average \$1,500 per household. To participate in WRAP, an applicant must have household gross incomes at or below 200% 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 current program design requires that a participant is removed from WRAP if they do not stay current on their payments. If they are removed from the program they can re-enroll in the program after six months.

Analysis: On July 8, 2020 Governor Whitmer signed Executive Order 2020-144 (included with this memo) which extended the moratorium on water service shut-offs through December 31, 2020. Since July, Wayne Metro has observed that about 1,000 WRAP participants within the city of Detroit had missed a payment. In August, a similar trend in non-payments was experienced in Detroit.

In an effort to keep WRAP participants that have experienced a loss in income due to the COVID-19 pandemic in the program, Wayne Metro is recommending a temporary exception in WRAP ongoing eligibility criteria through December 31st in alignment with the Governor's Executive Order. In the included letter dated September 22, 2020 Wayne Metro recommends to temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program, provided that participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19. During this time participants will still be eligible to receive monthly bill credits and arrears payments if applicable.

This matter has risen within the past week and is a departure from program design. Wayne Metro will be in attendance at the Audit Committee for further discussion on how best to work through this unusual situation. In addition, this proposal has been discussed with the DWSD financial leadership team. Staff is obtaining further information in preparation for Friday's discussion.

Pending further discussion and analysis, potential Audit Committee action could be to recommend the approval of Wayne Metro's recommendation to temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program provided that participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19. Furthermore, participants will still be eligible to receive monthly bill credits and arrears payments if applicable during this temporary period.

Budget Impact: None.

Proposed Action: None at this time.

**Great Lakes Water Authority
Water Residential Assistance Program
Project Timeline as of September 11, 2020**

	<u>WRAP Program Advisor Engaged?</u>	<u>Original Week of:</u>	<u>Updated Week of:</u>
Task 1 - Program Evaluation and Redesign (Invitation to Quote)			
Phase 0 - Pre-Procurement		4/27/2020	4/27/2020
Phase 1 - Solicitation Development		4/27/2020	4/27/2020
Phase 2A - Advertisement		5/11/2020	5/11/2020
Phase 2B - Proposals Due		5/25/2020	5/25/2020
Phase 3 - Evaluation		6/1/2020	6/1/2020
Phase 4 - Contract Development		6/8/2020	6/8/2020
Phase 5 - Board Requirements		n/a	n/a
Phase 6 - Start Work	Yes	6/21/2020	7/6/2020
Task 2 – Core WRAP Administration (Structured Request for Proposal Process)			
Phase 0 - Pre-Procurement			
Develop RFP Background		5/11/2020	5/11/2020
GLWA Internal Kick-off Call	Yes	N/A	7/27/2020
Kick-off Meeting with Bridgeport- GLWA Member Partner Outreach	Yes	N/A	7/30/2020
Kick-off Meeting with GLWA CFO/Finance and DWSD CFO/Finance	Yes	N/A	8/6/2020
Meeting with GLWA 3rd Party WRAP Administrator	Yes	N/A	8/6/2020
Kick-off Meeting with GLWA CEO/DWSD Director	Yes	N/A	8/14/2020
Focus Group: Board Members	Yes	6/28/2020	8/17/2020
Focus Group: Member Partners	Yes	6/28/2020	8/20/2020
Focus Group: County Community Agencies	Yes	N/A	9/7/2020
Focus Group: Original Program Designers	Yes	7/5/2020	9/14/2020
Program Design Report to Stakeholders	Yes	7/26/2020	9/28/2020
Phase 1 - Solicitation Development			
Draft 1 - Front End/Background	Yes	7/12/2020	9/21/2020
Draft 2 - post Stakeholder Report	Yes	8/2/2020	10/5/2020
Phase 2 - Advertisement			
Finalize RFP		8/16/2020	10/12/2020
Advertise date for RFP		8/16/2020	10/12/2020
Questions due		8/30/2020	10/26/2020
Pre-proposal conference		9/6/2020	11/2/2020
Proposals due		9/20/2020	11/16/2020
Phase 3 - Evaluation			
Minimum qualifications verified		9/20/2020	11/16/2020
Evaluations due		9/27/2020	11/23/2020
Oral interviews		10/4/2020	11/30/2020
Additional questions compiled		10/4/2020	11/30/2020
Responses from proposers		10/4/2020	11/30/2020
Responses distributed to Eval Team		10/4/2020	11/30/2020
Evaluation Team final selection		10/11/2020	12/7/2020
Phase 4 - Contract Development			
Negotiation		10/11/2020	12/7/2020
Preliminary Draft		10/11/2020	12/7/2020
Final Draft		10/25/2020	12/14/2020
Phase 5 - Board Requirements			
Prepare summary documents		10/11/2020	12/7/2020
Audit Committee Review		10/16/2020	12/18/2020
Board review/requested approval		10/28/2020	12/23/2020
Contract award			
Phase 6 - Project Execution and Management			
Contract execution		11/2/2020	12/28/2020
Start work		11/16/2020	12/29/2020

* Actual meeting date